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ANNUAL REPORT
OF THE
CANADIAN PACIFIC R'Y CO
FOR THE
FISCAL YEAR ENDING DECEMBER 31st,
1896.

MONTREAL, MARCH, 1897.

ANNUAL REPORT

—OF THE—

CANADIAN PACIFIC RAILWAY COMPANY

—FOR THE—

FISCAL YEAR ENDING DECEMBER 31st, 1896.

NOTICE TO SHAREHOLDERS.

The Sixteenth Annual Meeting of the Shareholders of the Company for the election of Directors, and the transaction of business generally, will be held on WEDNESDAY, the 7th day of April, next, at the principal office of the Company at Montreal, at 12 o'clock noon.

The Common Stock transfer books will close in London at 3 p.m. on Friday, February 28th, and in Montreal and New York on Tuesday, March 9th.

The Preference stock books will close at 3 p.m. on Tuesday, March 9th. All books will be reopened on Thursday, April 8th.

By order of the Board,

CHARLES DRINKWATER,

Secretary

Montreal, 15th February, 1897.

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(RECAP)

~~SECRET~~

BOARD OF DIRECTORS.

SIR DONALD A. SMITH, G. C. M. G.,	- - - -	MONTREAL.
SIR WM. C. VAN HORNE, K. C. M. G.,	- - - -	do.
MR. RICHARD B. ANGUS,	- - - -	do.
" T. G. SHAUGHNESSY,	- - - -	do.
" EDMUND B. OSLER, M. P.	- - - -	TORONTO.
" SANDFORD FLEMING, C. E., C. M. G.,	- - - -	OTTAWA.
" GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	- - - -	BOSTON.
" WILMOT D. MATTHEWS,	- - - -	TORONTO.
HON. DONALD MACINNIS, Senator,	- - - -	HAMILTON.
HIS HONOR LIEUT.-GOVERNOR GEO. A. KIRKPATRICK,	- - - -	TORONTO.
MR. THOMAS SKINNER,	- - - -	LONDON.
GEN. SAMUEL THOMAS,	- - - -	NEW YORK.
MR. JOHN W. MACKAY,	- - - -	do.

OFFICERS.

SIR. WM. C. VAN HORNE, K. C. M. G.,	<i>President,</i>	-	-	-	MONTREAL
MR. T. G. SHAUGHNESSY,	<i>Vice-President,</i>	-	-	-	do.
"	CHAS. DRINKWATER,	<i>Secretary,</i>	-	-	do.
"	GEO. M. CLARK,	<i>Chief Solicitor,</i>	-	-	do.
"	I. G. OGDEN,	<i>Comptroller,</i>	-	-	do.
"	THOS. TAIT,	<i>Assistant General Manager,</i>	-	-	do.
"	W. SUTHERLAND TAYLOR,	<i>Treasurer,</i>	-	-	do.
"	W. WHYTE,	<i>Gen. Supt. Western Division,</i>	-	-	WINNIPEG.
"	C. W. SPENCER,	<i>Gen. Supt. Eastern Division,</i>	-	-	MONTREAL.
"	H. ABBOTT,	<i>Gen. Supt. Pacific Division,</i>	-	-	VANCOUVER.
"	J. W. LEONARD,	<i>Gen. Supt. Ontario & Quebec Division,</i>	-	-	TORONTO.
"	H. P. TIMMERMAN,	<i>Gen. Supt. Atlantic Division,</i>	-	-	ST. JOHN, N.B.
"	D. McNICOLL,	<i>Passenger Traffic Manager,</i>	-	-	MONTREAL.
"	GEO. M. BOSWORTH,	<i>Freight Traffic Manager,</i>	-	-	do.
"	ROBT. KERR,	<i>Traffic Mgr. of Lines West of Fort William,</i>	-	-	WINNIPEG.
"	P. A. PETERSON,	<i>Chief Engineer</i>	-	-	MONTREAL.
"	C. B. HOSMER,	<i>Manager of Telegraphs,</i>	-	-	do.
"	L. A. HAMILTON,	<i>Land Commissioner,</i>	-	-	WINNIPEG.
"	HARRY MOODY,	{ <i>Deputy Secretary and Registrar of Transfers, 1 Queen Victoria St., LONDON, E.C.</i>			
"	ARCHER BAKER,	{ <i>European Traffic Agent, 67 and 68 King William Street,</i> - - - do.			
Agents of the Bank of Montreal, 59 Wall St., Transfer Agents, - NEW YORK.					

EXECUTIVE COMMITTEE.

SIR WM. C. VAN HORNE, K. C. M. G.,	MR. T. G. SHAUGHNESSY,
SIR DONALD A. SMITH, G.C.M.G.,	MR. RICHARD B. ANGUS.
GENERAL OFFICES, - - - - MONTREAL	

CANADIAN PACIFIC RAILWAY COMPANY.

SIXTEENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY FOR THE YEAR ENDED DECEMBER 31ST, 1896.

To the Shareholders.

A balance sheet of the affairs of the Company at 31st December, 1896, together with the usual statements and schedules are herewith submitted.

The gross earnings for the year were.....	\$20,691,596.84
The working expenses were.....	12,574,015.10
And the net earnings were.....	8,107,581.74
Add interest earned on deposits and loans...\$196,762.02	
Add interest due from Duluth, South Shore & Atlantic Ry. Co. on Consolidated bonds held by your Com- pany against Debenture Stock issued	\$597,980.00
Less advanced by your Com- pany	335,756.92
	<u>\$262,223.08</u>
Add interest due from Minn- neapolis, St. Paul & Sault Ste. Marie Ry. Co. on bonds held by your Com- pany against Debenture Stock issued.....	52,180 00
	<u>\$511,165.10</u>
Carried forward.....	\$3,618,746.84

Brought forward.....	\$8,618,746.84
<i>Deduct</i> Fixed Charges accrued during the year, including interest on Land Bonds (see page 15).....	6,708,084.42
	1,910,662.42
<i>Deduct</i> interest paid on account guaranty Minneapolis, St. Paul & Sault St. Marie Ry. Co.....	203,889.82
The surplus for the year was.....	\$1,706,772.60
From this there has been charged off the half yearly dividend on Preference Stock ;— 2 per cent. paid 1st October, 1896.....	\$152,813.33
And half yearly dividend on Ordinary Stock ; 1 per cent. paid 1st October, 1896.....	650,000.00
	802,813.33
Leaving balance.....	<u><u>\$903,959.27</u></u>
From this there has been declared a half yearly dividend on Preference Stock of 2 per cent. payable 1st April, 1897.....	\$160,133.33
And a dividend on Common Stock for the last half year of 1 per cent. payable 1st April 1897.....	<u><u>\$650,000.00</u></u>

2. The working expenses for the year amounted to 60.80 per cent. of the gross earnings, and the net earnings to 39.20 per cent., as compared with 60.50 and 39.50 per cent. respectively in 1895.

3. The earnings per passenger per mile were 1.83 cents, and per ton of freight per mile 0.75 cents, as against 1.80 and 0.80 cents respectively in 1895.

4. Following is a statement of results of working by months :—

Month.	Earnings.	Expenses.	Net Earnings.
January	\$1,474,797 81	\$ 978,847 79	\$ 495,950 02
February.....	1,325,255 64	991,523 52	333,732 12
March.....	1,503,603 41	1,027,072 16	476,531 25
April.....	1,455,905 83	964,675 96	491,229 87
May	1,724,868 61	1,037,378 85	687,489 76
June.....	1,667,220 75	1,043,216 86	624,003 89
July	1,803,574 81	1,104,340 27	699,234 54
August.....	1,887,484 66	1,072,623 65	814,861 01
September.....	1,826,680 45	1,068,352 36	758,328 09
October	2,121,650 03	1,182,009 30	939,640 73
November.....	1,964,684 16	1,102,535 98	862,148 18
December	1,925,870 68	1,001,438 40	924,432 28

5. The recovery in business which afforded such good promise at the date of the last annual report did not long continue. A feeling of dread and uncertainty as to the result of the last general elections in the United States, in view of the serious financial questions at issue, caused a stagnation in business in that country probably more serious than that of any of the three preceding years. While this had no very marked effect upon the local business in Canada, it reduced, to a serious extent, the interchange of traffic between the two countries, and your subsidiary railways in the United States, the Minneapolis, St. Paul & Sault Ste. Marie and the Duluth, South Shore & Atlantic suffered an important shortage not only in their domestic traffic, but in the business interchanged with your lines, making it necessary for your Company to again give them financial assistance.

6. The chief cause of loss in your Canadian business during the last half of the year was the short wheat crop in the West, which furnished for carriage about 10,000,000 bushels less than that of 1895. Better prices for wheat and the development of traffic in the mining

districts of British Columbia prevented so large a shrinkage in earnings during the second half-year as might otherwise have been expected, and the year's results are, considering everything, not unsatisfactory to your Directors.

7. At this time the tide seems to have turned again towards better conditions and business on both sides of the International Boundary is improving. A much larger area than ever before is prepared for seeding in Western Canada, and the farmers are in better circumstances generally than for a number of years back. The mining operations in British Columbia, which have heretofore been chiefly in the way of development, have reached the producing stage; the shipments of ore, which were considerable last year, will be very largely increased during the present one; a great number of mines have been proven, a considerable number are in full and profitable working and others are coming into operation day by day, and your Directors have no doubt that their most sanguine expectations in regard to the traffic to be gained from this source will be exceeded in the very near future.

8. The Company's Ocean and Lake Steamships and its Telegraph, Express, Sleeping Cars and Grain Elevators all returned increased profits as compared with the preceding year.

9. No serious accidents occurred on the Company's lines during the year.

10. The Company's property has been thoroughly maintained in all its parts and many improvements have been made. The details of the improvements and additions will be found in the appendix hereto.

11. Timber bridges of an aggregate length of 31,556 feet were replaced by masonry, or steel structures, or by earth embankments.

12. Heavy rails were substituted for lighter ones on 102 miles of the principal lines of the Company.

13. You will be asked to approve expenditures on capital account during the coming year for permanent bridges and improvements of roadway, for terminals at Montreal and Toronto, for Grain Elevators at Owen Sound, for additional equipment and for various station and other facilities aggregating \$2,056,736.

14. During the past year the Montreal & Ottawa Railway was extended to Alfred, a distance of $29\frac{1}{2}$ miles, leaving but 39 miles of the line to be completed. The Temiscamingue and the Revelstoke branches were fully completed early in the year.

15. The Toronto, Hamilton & Buffalo Railway, which is controlled by the New York Central, Canada Southern, Michigan Central and Canadian Pacific Companies, was practically completed at the end of the year and is now about ready for working. Your Company's joint use of the Grand Trunk line between Toronto and Hamilton will take effect on the opening of the Toronto Hamilton and Buffalo line for regular traffic.

16. A traffic agreement has been reached with the Seattle and International Railway Company (formerly the Seattle Lake Shore & Eastern) extending from a connection with your system at Huntington, on the International Boundary, southward through the Puget Sound country to Seattle. This agreement involves no financial responsibility on the part of your Company.

17. You will be asked to approve the purchase of the Montreal and Western Railway extending from St. Jerome, in the Province of Quebec, to a point beyond Labelle, 70 miles in length, which line has for a number of years been worked by your Company for a percentage of its earnings. The proposed agreement provides that the railway shall become the property of your Company on the payment of 30 annual instalments of \$28,000 each, representing principal and interest, which is about equivalent to the purchase of the line at \$6,000 per mile, in pursuance of the agreement approved by the shareholders at their general meeting in 1891 and duly confirmed by Act of Parliament, and the Directors recommend this arrangement as advantageous to your Company.

18. You will be asked to approve an arrangement for working the railway of the Qu'Appelle Long Lake and Saskatchewan Company for a term of five years, your Company acting as agents and assuming no financial responsibility. The agreement is substantially the same as that with the Calgary and Edmonton Company which was approved at the last Annual Meeting.

19. During the year \$2,609,000 Minneapolis St. Paul and Sault Ste. Marie Consolidated Mortgage Bonds (guaranteed by your Company under its contract of 1888) were acquired by the issue of your 4 per cent. Consolidated Debenture Stock. While the rate of interest on the bonds acquired is the same as that on the Debenture Stock issued, the transaction enabled the M. St. P. & S. St. M. Company to take up its outstanding Minneapolis and Pacific 5 per cent. bonds, thereby effecting a saving of \$26,090 per annum.

20. Duluth South Shore & Atlantic Consolidated bonds amounting to \$53,000 were acquired in a like manner and for a like purpose; and £61,000 of North Shore Railway 5 per cent. bonds were also acquired by the issue of 4 per cent. Debenture Stock.

21. The land sales for the year were somewhat better than in 1895, showing an increase of \$109,648. The abundant crop of 1891 resulted in large land sales in 1892, but owing to the exceedingly low prices of wheat for the succeeding three years, the purchasers were, in many cases, unable to meet the stipulated payments. In reviewing the outstanding contracts, the Directors considered it desirable to cancel a large portion of these sales; care has, however, been taken that the cancellations shall work as little hardship as possible to actual settlers.

22. The position of the Company's land grant and the sales for the past year are shown in Schedule "D."

23. The Company has been at a great disadvantage in reaching the traffic of the mining districts of Southern British Columbia in having to depend upon steamboat connections controlled by other parties. The rapid growth of the traffic, the high rates exacted, and the inadequate service performed, led your Directors recently to negotiate for the purchase of the entire property of the Columbia and Kootenay Navigation Company, consisting of seven steamboats, ten barges, mechanical shops, office buildings, warehouses, etc., and to put under contract for immediate construction three additional steamers for service on the Arrow and Slocan Lakes. You will be asked to approve the expenditure of \$280,000 for the boats purchased and under contract, and for a tug-boat and barges that will probably be required.

In the event of the establishment of direct rail connections with the mining districts, both from the east and the west, this steamboat property will still have ample occupation, for the extraordinary system of navigable waters in Southern British Columbia will afford for many years to come the most feasible means of connection with many of the important mining sections.

But even with these important additions to its facilities for handling the traffic of the mining districts, your Company will continue at a disadvantage in competing with the American lines (which have already reached Nelson, Rossland and other important centres in these districts) until it shall have direct railway connections of its own. Until then the greater part of the mining traffic will be beyond its reach, and will continue to be, as at present, carried by the American lines southward.

Your Directors are strongly of the opinion that any delay in securing your interests in that direction will be extremely dangerous,—that unless your Company occupies the ground others will, the demand for shipping and travelling facilities being most urgent. The Directors feel that they cannot too strongly urge the immediate construction of a line from Lethbridge to a connection with your Columbia & Kootenay Railway at Nelson, a distance of 325 miles, and anticipating your approval they have already taken steps towards commencement of the work on the opening of spring.

The unfavorable conditions which have prevailed for the past three years have prevented any effective action towards providing for the traffic of the mining country, but the Directors feel now that the improved position and prospects of the Company, together with the magnitude of the interests at stake, will fully warrant this important step. The interests of the country at large

are so much concerned in this question that your Directors confidently expect reasonable assistance at the hands of the Dominion Government.

For the Directors.

WM. C. VAN HORNE,
President.

Ap. 22, 1896.

Government Aid to the Canadian Pacific.

[Special Despatch to The Evening Post.]

MONTREAL, April 22.—The Dominion government has favorably considered a proposal of considerable importance to western Canada, as it is intended to assist in opening up the Kootenay mining district. The proposal is that the government advance \$20,000 a mile to the Canadian Pacific Railway for a railway from Lethbridge or McLeod to Nelson, B. C. The money so advanced, which will amount to about \$4,000,000, is to be repaid in twenty years at the rate of 3½ per cent. per annum, payable half-yearly. The effect of this will be that the country will borrow at a slight advance on 3 per cent., and will lend the money to the Canadian Pacific Railway to open the mining districts of British Columbia, at an advance of from ¼ to ½ per cent.

1896.

The Canadian Pacific's Proposed Line in British Columbia.

[Special Despatch to The Evening Post.]

MONTREAL, October 23.—T.G. Shaughnessy, Vice-President of the Canadian Pacific Railway Company, has just been to Ottawa to feel the pulse of the government on the question of the Crow's Nest line in British Columbia. The Canadian Pacific Railway Company intend, if they receive the countenance of the government, to construct this

railway, with branch lines running north and south to serve the various mines. The railway would carry the ore to a central point, where it would be smelted. The late government were prepared to loan the railway \$5,000,000 to construct this road, but whether the Canadian Pacific Railway will ask the present government to revive this arrangement or not is not known outside the railway management. As yet the railway people have not made any formal proposal to the Laurin ministry. The British Columbia members of Parliament are in favor of the construction of the road, but some in British Columbia believe the government should build the line.

APPENDIX.

FIXED CHARGES 1896.

£7,191,500	1st Mortgage Bonds 5 p.c.	\$ 1,749,931.66
\$7,000,000	Province of Quebec, $4\frac{1}{2}$ p.c.	283,500.00
£1,100	North Shore 1st Mortgage 5 p.c. :—	
	3 $\frac{3}{4}$ mos. on £5,700 }	602.24
	8 $\frac{1}{2}$ mos. on £1,100 }	
£200,000	Canada Central 2nd Mortgage 6 p.c.	58,400.00
	“ “ 1st “ Sinking	
	Fund	51,100.00
£200,000	St. Lawrence and Ottawa 4 p.c.	38,933.34
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage 5 p.c..	127,200.00
	Toronto, Grey and Bruce Rental.	140,000.00
£4,007,381 15s. 5d.	Ontario and Quebec Debentures 5 p.c. ...	975,129.56
\$2,000,000	Ontario and Quebec (ordinary) 6 p.c. ..	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage, less Government proportion	136,333.34
£750,000	Algoma Branch 5 p.c.	182,500.00
	Rental, Farnham to Brigham Jct.	1,400.00
	Rental Mattawamkeag to Vanceboro... ..	23,800.00
	Rental New Brunswick Railway system.	367,879.74
	Rental of Terminals at Toronto.	23,110.78

4% DEBENTURE STOCK.

Issues for general purposes	3,933,748	
Issue for China & Japan Steamers.	720,000	
Issue for Souris Branch	1,004,000	
	<u>£5,657,748</u>	\$1,101,374.95

Issue for acquiring Mortgage Bonds
of Roads of which principal or interest
is guaranteed by C. P. R. :—

1 year on £3,129,402			
6 mos. on 530,900	3,660,302	660,864.52	
	<u>£9,318,050</u>		\$1,762,239.47

Interest on Land Grant Bonds	666,024.29	
		<u>\$6,708,084.42</u>

SCHEDULE "A"

DETAILS OF BALANCE SHEET ITEM
 "ACQUIRED SECURITIES HELD AGAINST DEBENTURE
 STOCK ISSUED."

Atlantic & North-West Railway, 5 per cent. Guaranteed Stock.....	\$ 3,240,000 00
Columbia & Kootenay Railway 4 per cent. First Mortgage Bonds.....	693,500 00
Manitoba South Western Colonization Railway, 5 per cent. First Mortgage Bonds.....	72,000 00
North Shore Railway 5 per cent. First Mortgage Bonds.	610,766 34
Duluth South Shore & Atlantic Railway 4 per cent. Consolidated Mortgage, guaranteed.	14,976,000 00
" Income certificates.....	3,000,000 00
" Preferred Stock. (constituting a majority.) ..	5,100,000 00
" Ordinary Stock. (constituting a majority.)...	6,100,000 00
Minneapolis, St. Paul & Sault Ste. Marie Railway. 4 p. cent. Consolidated Mortgage, guaranteed	2,669,000 00
" Preferred Stock (constituting a majority.)	3,533,400 00
" Ordinary Stock (constituting a majority.)	7,066,600 00
Souris Branch, First Mortgage Bonds, £400,000.....	1,946,666 67
Pacific Steamship First Mortgage Bonds, £720,000.	3,504,000 00

SCHEDULE "B."
DETAILS OF BALANCE SHEET ITEM

"OTHER ACQUIRED SECURITIES."

MONTREAL & OTTAWA RAILWAY BONDS.

- (Acquired from proceeds of Preference
 Stock issued in 1893.) \$400,000.00

ATLANTIC & NORTHWEST RAILWAY BONDS,—

Eganville Branch.

- (Acquired from proceeds of Preference
 Stock.) \$302,400.00 \$702,400 00

MONTREAL & ATLANTIC RAILWAY STOCK,

- 21,600 shares, \$2,160,000.00 (cost) \$1,489,761.94
 (Formerly South Eastern Railway.)

\$2,192,161.94

SCHEDULE "C."

DETAILS OF BALANCE SHEET ITEM

" MISCELLANEOUS SECURITIES AND ADVANCES."

PACIFIC POSTAL TELEGRAPH CABLE COMPANY'S	
STOCK, (cost).....	\$ 400,000.00
(Pacific Coast system, Washington, Oregon, California. Stock represents half interest. Other half owned in interest of the Postal Telegraph Cable Co., of the United States and the Commercial Cable Co.)	
MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE	
RAILWAY COMPANY.—Income certificates, (cost);....	270,000.00
(Acquired in connection with the controlling interest in the stock of that Company.)	
CHATEAU FRONTENAC, (QUEBEC HOTEL), Stock	
200,000.00	
Undertaken in the general interest of the Company in connection with the acquisition of the North Shore Railway (the Company's line between Montreal and Quebec) and in connection with the cancellation of a contingent liability of \$1,108,626 thereon.	
CANADA NORTHWEST LAND CO., STOCK, (cost).	
518,087.27	
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C. N. W.Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.	
96,715.52	
(Acquired in 1890, with view to extension of line from Woodstock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY'S STOCK.....	
113,750.00	
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equipment and organization.)	
INSURANCE PREMIUMS PREPAID.....	
95,807.95	
(On contract to secure advantageous terms).	
SOUTH ONTARIO & PACIFIC RAILWAY STOCK.	
20,000.00	
(This Company's organization for line, Woodstock, Hamil- ton and Niagara Falls.)	
MISCELLANEOUS SECURITIES AND ADVANCES.....	
127,309.75	

\$1,841,870.49

SCHEDULE "D."—LANDS.

SALES—	ACRES.	AMOUNT REALIZED.	AVERAGE PER ACRE.
Canadian Pacific Land Grant, 1896	66,624	\$220,360	\$3.30
1895	55,453	176,950	3.19
Man. South Western Grant, 1896	21,254	88,568	4.17
1895	5,623	22,330	3.97
Total sales.....	1896 87,878	308,928	3.51½
	1895 61,076	199,280	3.26¼

POSITION OF LAND GRANTS AT DEC. 31ST, 1896.

CANADIAN PACIFIC—	Acres.	Acres.
Original Grant.....	25,000,000	
Surrendered to Government under agreement of March 30th, 1886.....	6,793,014	
	<u>18,206,986</u>	
Souris Branch Land grants.....	1,611,520	
	<u>19,818,506</u>	
Sales to Dec. 31st, 1896.....	3,857,810	
*Less cancelled in 1896.....	<u>234,744</u>	
	3,623,066	
Quantity of land unsold.....		16,195,440
MANITOBA SOUTH WESTERN—	Acres.	
Total Grant.....	1,396,800	
Sales to Dec. 31st, 1896.....	287,838	
*Less cancelled in 1896.....	<u>115,880</u>	
	171,958	
Quantity of land unsold.....		1,224,842
COLUMBIA & KOOTENAY—	Acres.	
Total Grant.....	190,000	
Sales to Dec. 31st, 1896.....	<u>1,888</u>	
		188,112
Total land owned by the Company		<u><u>17,608,394</u></u>

* Of the lands previously recovered by the Company from cancellation of sales 37,239 acres were resold during the year at practically the same price at which they were surrendered.

SCHEDULE "E."

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Nakusp and Slocan Branch.....	\$ 8,268.68
Lake Temiscamingue Colonization Ry.....	6,324.25
Trail Creek and British Columbia Ry.....	13,138.20
Hochelaga Extension.....	11,448.68
Preliminary surveys of projected lines.....	917.34
Total for construction of Branch Lines.....	<u>\$40,097 15</u>

SCHEDULE "F"

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS DURING 1897.

MAIN LINE.

QUEBEC TO BONFIELD.

Additional sidings.....	\$ 6,454.45	
Additional buildings, stations and yards.	9,570.83	
Heavy rails and fastenings, less credit for lighter rails removed.....	14,497.74	
Filling trestles and culverts.....	710.03	
Permanent bridges.....	673.55	
Additional fencing.....	697.02	
Improvements Hochelaga Stock Yards..	2,114.15	
Improvements Outremont Yards.....	9,069.43	
Pembroke, new station, etc.....	15,834.53	
Montreal East End Station.....	184,228.87	
Payment on purchase of Canada Central Railway	384.83	
		\$244,835.43

BONFIELD TO FORT WILLIAM.

Additional sidings.....	\$ 660.37	
Additional buildings, stations and yards.	549.40	
Heavy rails and fastenings, less credit for lighter rails removed.....	27,497.33	
Filling trestles and culverts, widening cuttings and embankments.....	31,607.01	
Permanent bridges.....	42,453.89	
Additional fencing.....	3,622.02	
Facilities for handling coal at Jackfish...	452.19	
		\$106,842.21

FORT WILLIAM TO DONALD.

Permanent bridges.....	\$ 9,043.55	
Right of way and perfection of title.....	515.79	
Additional sidings.....	42,109.11	
Additional fencing.....	6,106.65	
Heavy rails and fastenings, less credit for lighter rails removed.....	42,052.63	
Additional buildings, stations and yards.	36,402.07	
Filling trestles and culverts, widening cuttings, embankments, etc.....	138,655.76	
Additional water supply.....	3,140.01	
Freight shed, Fort William.....	1,964.93	
Coal dock and facilities for handling coal, Fort William	4,111.39	
Port Arthur elevator, additional machinery	1,664.88	
New elevator and tracks, Fort William..	159,566.20	
		\$445,332.97

Carried forward..... **\$797,010.61**

<i>Brought Forward</i>		\$797,010.61
DONALD TO PACIFIC COAST.		
Filling trestles and culverts, widening cuttings, embankments, etc.....	\$108,708.80	
Right of way and perfection of title.....	998.63	
Additional sidings.....	13,959.87	
Permanent bridges	190,716.05	
Additional buildings and yards.....	2,314.80	
Additional fencing	1,474.29	
Wharves, warehouses, docks, etc.....	24,167.35	
Permanent bridges, filling trestles and other improvements on Government section.....	137,415.99	
Less, amount received from Dominion Government under award.....	616.67	
		136,799.32
Hotel at Revelstoke.....	22,363.27	
		501,501.88
Total on Main Line....		\$1,298,512.49
BRANCH LINES.		
Emerson Branch	147.95	
Selkirk Branch.....	283.95	
Stonewall Branch	5,697.14	
Mission Branch	3.00	
South Western Branch :		
Filling culverts, &c.....	1,870.66	
Additional fencing.....	606.81	
Right of way.....	77.70	
Additional buildings	4,795.35	
Additional sidings	1,759.39	
		9,109.91
Souris Branch :		
Additional fencing.....	1,133.75	
Additional buildings, etc.....	405.35	
Ballasting, filling culverts, etc.	1,131.80	
Right of way.....	516.02	
Additional sidings.....	1,103.50	
		4,290.42
Algoma Branch:		
Additional fencing.....	1,870.51	
Filling culverts and trestles, widening cuttings and embankments.....	35,364.89	
Permanent bridges.....	1,272.54	
Heavy rails and fastenings, less credit for lighter rails removed.....	185.89	
		38,693.83
Revelstoke and Arrow Lake Branch :		
Docks and wharves	1,974.32	
Permanent bridges.....	3,399.85	
Right of way	547.96	
Additional buildings	423.54	
Additional sidings	700.00	
		7,045.67
Telegraph Extensions and additions		65,276.87
Total		\$1,398,035.68

SCHEDULE "G."

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED
LINES DURING 1897.

ONTARIO & QUEBEC RAILWAY.

Heavy rails and fastenings, less credit for lighter rails removed	\$ 40,219.43
Permanent bridges	6,312.47
Additional sidings	2,775.05
Additional stations and buildings	4,980.95
Right of way and perfection of title	8,060.24
Filling trestles and culverts, widening cut- tings, embankments, etc	45,848.35
Water supply	6,458.14
Elevator, Owen Sound	114,906.67
Terminals at Toronto :	
Company's proportion of cost of York Street and John Street bridges.	31,436.63
Buildings and yards	33,601.31
Property on Brock Street	4,104.10
	\$ 69,142.04

298,683.34

Less: sale of real estate, Montreal and Toronto	7,558.75
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\$ 291,124.59

ATLANTIC AND NORTH-WEST RAILWAY.

Filling trestles and culverts, widening cut- tings, embankments, etc	\$171,603.43
Additional stations, buildings and yards ..	8,834.46
Additional sidings	21,806.77
Right of way and perfection of title	1,655.84
Heavy rails and fastenings, less credit for lighter rails removed.	32,211.54
Permanent Bridges	64,672.08
Additional Fencing	1,189.00
Hall system signals	9,029.60

\$ 311,001.72

MONTREAL & WESTERN RAILWAY.

On account of purchase	3,229.12
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MANITOBA SOUTH WESTERN CO. RY.

Additional Buildings	\$ 193.88
Additional fencing	2,093.24
Right of way and perfection of title	29.60
Additional Water Supply	52.50
Filling trestles and culverts, widening cut- tings and embankments	4,590.40
Additional sidings	1,644.97
Coaling facilities at Holland	687.35

\$ 9,291.94

COLUMBIA AND KOOTENAY RAILWAY.

Wharves and docks	3,986.96
Right of way and perfection of title	402.61
Spurs and sidings	958.08

5,347.65

Total..... \$ 619,995.02

RECEIPTS AND EXPENDITURES 1897.

RECEIPTS.

Treasury Balance, December 31st, 1896.....	\$4,478,553.25
Surplus revenue, as per statement.....	\$3,861,115.11

Land Department.

Proceeds of land sales.....	\$437,559.84	
Less expenditures.....	71,511.07	
		366,048.77
Less, Land Grant Bonds cancelled.....	1,500.00	
		364,548.77
Less, amount remaining in Deferred Payments.....	351,747.02	
		12,801.75
Collection of Deferred Payments.....	172,955.28	
		185,757.03

Man. S. W. Col. Ry. Land Grant.

Proceeds of sales.....	241,252.32	
Less expenditures.....	10,933.70	
		230,318.62
Less, Interest paid Province of Manitoba.....	43,149.96	
		187,168.66
Less, amount remaining in Deferred Payments.....	162,801.09	
		24,367.57

Town Sites.

Proceeds of sales.....	166,979.12	
Less expenditures, improvements, grading, clearing, etc.	66,711.51	
		100,267.61
Collection of Deferred Payments.....	6,956.69	
		107,224.30
Less, amount applied against advances on lands.....	100,267.61	
		6,956.69
Advance to Duluth, South Shore & Atlantic Ry. on account Duluth & Winnipeg Ry. repaid.....	1,674,137.53	
		5,762,333.93
		Carried forward..10,230,890.18

Brought forward.....\$10,230,890.18

MONTREAL & OTTAWA RAILWAY,

Amount realized from sale of 1st Mortgage Bonds.....	466,875.00	
Less, Advances on extension of road.....	372,783.60	
		94,091.40

Bonuses.

Dominion Government sub- sidy, earned on construction Crow's Nest Extension.....	453,750.00	
Provincial Government sub- sidy on Lake Temiscam- ingue Col. Ry.. ..	39,270.00	
Town of Owen Sound, Ontario, on elevator constructed at that place.....	40,000.00	
Town of Carleton Place on shops constructed at that place.....	20,000.00	
		553,020.00

Consolidated Debenture Stock.

Amount issued for acquiring guaranteed securities £145,875.....	708,027.00
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Four per cent. Preference Stock.

Amount realized from sale of £375,000 sold to meet Capital Expenditure.....	1,666,399.28	
		3,021,537.68
		13,252,427.86
Add, Increase in Current Liabilities.....	667,803.61	
		13,920,231.47
Deduct Station and Traffic Balances and accounts receivable.....	2,281,799.39	
Miscellaneous Securities and Advances....	1,981,825.38	
		4,263,624.77
Less, Amount at December 31st, 1896.....	4,115,239.59	
		148,385.18
		\$13,771,846.29

EXPENDITURES.

Interest on funded debt and rental of leased lines due January 1st, 1897, and accrued to that date		\$1,741,779.69
<i>Dividends on Preference Stock.</i>		
2 per cent. paid April 1st, 1897.....	160,113.33	
2 per cent. paid October 1st, 1897.....	167,413.33	
		327,526.66
<i>Dividends on Ordinary Stock.</i>		
1 per cent. paid April 1st, 1897.....	650,000.00	
1½ per cent. paid October 1st, 1897.....	975,000.00	
		1,625,000.00
Construction acquired and branch lines (Schedule E).....		40,097.15
Construction Crow's Nest extension.....		1,679,031.86
Additions and improvements main line and branches (Schedule F).....		1,396,035.68
Additions and improvements leased lines (Schedule G).....		619,995.02
Rolling stock, shops and machinery.....		817,115.61
Hotels and other buildings at Vancouver and other points, held in trust.....		858.29
<i>Yukon Steamship Line.</i>		
Purchase of steamships "Athenian" and "Tartar".....		297,336.28
<i>British Columbia Lake and River Steamships.</i>		
Purchase of steamboats and barges.....		314,238.78
<i>Real Estate.</i>		
Purchase of timber limits.....	1,502.00	
Purchase of real estate in Montreal.....	59,625.01	
		61,127.01
<i>Advances—Columbia and Kootenay Railway.</i>		
Amount advanced for construction of Slocan Lake branch.....		481,252.40
<i>Guaranteed Securities acquired by Sale of 4% Debenture Stock.</i>		
Montreal & Ottawa Ry., 1st Mortgage Bonds, \$518,750.00..	466,875.00	
Duluth, South Shore & Atlantic Ry., 4% Consolidated Bonds, \$131,000.00.....	119,517.39	
Minneapolis, St. Paul & Sault Ste. Marie Ry., 4% Consolidated Bonds, \$151,000.....	121,619.45	
		708,011.84
Increase of material and stores on hand.....		161,196.23
		10,270,602.53
Add, Cash Assets December 31st, 1897.....	4,669,161.62	
Add, Amounts due from Imperial and Dominion Governments.....	683,101.06	
		5,352,262.68
Less, Amount of accrued fixed charges.....	1,851,018.92	
		3,501,243.76
		\$13,771,846.29

STATEMENT OF EARNINGS FOR THE YEAR 1897.

From Passengers	\$ 5,796,115.12
“ Freight	15,257,896.94
“ Mails	603,210.49
“ Express	530,749.65
“ Parlour and Sleeping Cars	361,777.38
“ Telegraph, Grain Elevators, and Miscellaneous, including profit on Pacific Steamships	1,499,785.07
	<u>\$24,049,534.65</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR 1897

Conducting Transportation	\$3,434,755.39
Maintenance of Way and Structures	3,018,748.90
Motive Power	4,211,586.61
Maintenance of Cars	955,013.12
Parlor and Sleeping Car Expenses	78,673.90
Expenses of Lake and River Steamers	333,381.68
General Expenses	1,336,022.47
Commercial Telegraph	377,576.69
	<u>\$13,745,758.76</u>

STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1897.

Locomotives	598
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars	588
First class sleeping and dining cars	99
Parlour cars, Official and Paymasters' cars	30
Freight and cattle cars, (all kinds)	15,544
Conductors' vans	312
Board, Tool and Auxiliary Cars and steam shovels	575
<i>Pacific Steamships</i> —Empress of China, Empress of Japan, Empress of India.	
<i>Pacific Coast Steamships</i> —Athenian, Tartar.	
<i>Lake Steamers</i> —Alberta, Athabasca, Manitoba.	
<i>Ferry Steamers</i> —Ontario, Michigan.	
<i>River Steamers</i> —Kootenay District—Kootenay, Rossland, Lytton, Kokanee, Slocan, Illicilliweat, Aberdeen, Trail, Nelson, Columbia.	

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1888 TO 1897, INCLUSIVE.

	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.
Passengers	\$3,800,883 18	\$ 4,023,474 00	\$ 4,774,713 76	\$ 5,469,789 46	\$5,554,316 40	\$5,056,204 90	\$ 4,840,412 38	\$ 4,683,187 74	\$ 4,820,143 30	\$ 5,796,115 12
Freight.....	8,017,318 86	9,057,719 34	10,106,844 02	12,665,540 26	13,330,540 19	12,673,075 88	11,445,377 78	11,577,851 85	13,187,860 31	15,257,896 94
Mails.....	263,344 46	354,044 32	356,088 61	516,098 46	453,922 86	496,134 49	498,129 16	540,116 18	607,543 86	603,210 49
Express.....	244,247 18	247,606 70	260,238 43	238,633 25	302,279 34	333,975 39	342,472 29	387,005 93	460,201 90	630,749 65
Parlor and Sleeping Cars	187,694 13	239,103 14	268,096 76	303,545 09	331,202 73	380,470 10	381,719 69	302,637 63	303,088 48	361,777 38
Telegraph, Grain Elevators & Miscellaneous, including Profits on Pacific Steamships	682,052 79	847,130 83	785,767 40	1,007,489 47	1,405,110 53	1,422,457 18	1,294,056 46	1,149,867 44	1,302,458 87	1,499,785 07
Total	\$13,195,535 60	\$15,369,138 43	\$16,552,528 98	\$20,241,095 86	\$21,408,351 77	\$20,862,317 44	\$18,762,167 71	\$18,941,036 87	\$20,651,596 84	\$24,049,534 65
Expenses.....	9,324,780 68	9,241,302 27	10,252,828 47	12,231,436 11	12,998,004 21	13,220,801 39	12,328,858 63	11,460,065 86	12,574,015 10	13,745,758 76
Net Earnings....	\$3,870,754 92	\$6,127,836 16	\$ 6,299,700 51	\$8,009,659 75	\$8,420,347 56	\$7,641,516 05	\$6,433,309 08	\$7,480,970 90	\$8,077,581 74	\$10,303,775 89

DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

DESCRIPTION.		1895.	1896.	1897.
Flour	Barrels.	2,832,304	3,291,299	2,911,072
Grain	Bushels.	27,628,593	32,528,256	37,756,201
Live Stock	Head.	562,135	566,219	663,773
Lumber	Feet	638,806,374	636,128,418	831,895,383
Firewood	Cords.	177,032	166,831	185,208
Manufactured Articles.	Tons.	1,050,014	1,070,675	1,310,827
All other Articles.....	Tons.	930,101	878,261	994,813

FREIGHT TRAFFIC.

	1895.	1896.	1897.
Number of Tons carried.....	4,274,667	4,442,055	5,174,484
Number of Tons carried one mile.	1,490,639,847	1,769,953,865	1,965,911,006
Earnings per Ton per mile....	0.80 cents.	0.75 cents.	0.78 cents.

PASSENGER TRAFFIC.

	1895.	1896.	1897.
Number of Passengers carried...	2,983,793	3,029,887	3,179,589
Number of Passengers carried one mile	260,317,256	263,607,453	317,997,961
Earnings per Pass. per mile...	1.80 cents.	1.83 cents.	1.82 cents.

TRAFFIC TRAIN EARNINGS, 1897.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	6,273,999	\$ 7,039,001 37	\$ 1.12
Freight.....	9,826,734	14,744,181 91	1.50
Total.....	16,100,733	\$21,783,183 28	\$1.35

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Lake Steamers, Pacific Steamers, British Columbia Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$1,555,393.

EXPENSES PER TRAFFIC TRAIN MILE, 1897.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way and structures.....	\$ 3,018,748 90	0.187
Motive power.....	4,211,596 61	0.252
Maintenance of cars.....	955,013 12	0.059
Traffic and general expenses.....	4,849,451 76	0.301
	<u>\$ 13,034,800 39</u>	<u>\$0.809</u>

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REPORT
OF THE PROCEEDINGS AT THE
SEVENTEENTH ANNUAL MEETING
OF THE SHAREHOLDERS OF THE
Canadian Pacific Railway Company

HELD ON
WEDNESDAY, APRIL 6th, 1898,
AT THE GENERAL OFFICES OF THE COMPANY,
AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE SEVENTEENTH ANNUAL MEETING OF THE
SHAREHOLDERS, HELD ON WEDNESDAY, 6TH
APRIL, 1898.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The President, Sir Wm. C. VanHorne, took the chair, and the Secretary of the Company acted as secretary of the meeting.

The Secretary having read the notice calling the meeting, the President, in moving the adoption of the Report on the affairs of the Company for the year ended 31st December, 1897, which had been previously mailed to the shareholders, said :

In submitting the annual report of the Directors for your approval, a brief explanation of our difficulties with the American transcontinental lines may not be out of place.

For a number of years prior to 1894 the Canadian Pacific had, by agreement with the transcontinental lines, been allowed certain differential rates on passenger traffic between the Eastern States and Eastern Canada and the Pacific Coast. The principle of differential rates when applied to our case was not a new one. It was adopted a great many years ago as a means of adjusting the difference in conditions between competing lines, and differentials are in use to-day for this purpose in various parts of America, and even between the Atlantic seaboard and Chicago, where

they are accorded to certain of the trunk lines, including the Grand Trunk. In 1894 the situation of the Canadian Pacific as regards through passenger traffic had considerably improved, and a new agreement was made whereby the Canadian Pacific differentials on transcontinental passenger traffic were reduced and were confined in the east to a restricted territory. They applied to all points on the Pacific Coast. At that time there was not much travel to and from Alaska, but a few months back it became apparent that it would soon reach large proportions, and about the opening of the present year, and just as the new stream of travel was setting in, we discovered that the agreement of 1894 was being violated by our competitors. Our agents bought quantities of tickets at the agencies of the Great Northern and the Northern Pacific Companies, not only at our differential rates, but far below them. The evidence was unquestionable, and the facts as to the broken rates and as to who broke them are not now denied by anybody. We called the offending lines to account for their violation of the existing agreement, and they replied that they had decided to no longer consent to differential rates on Pacific Coast traffic, and they asked for a meeting concerning the question. We insisted on their restoration of the rates and terms of the existing agreement as a condition precedent to a meeting. They refused, and we then, after notice, published an open tariff making such rates as the provisions of the law and the interests of the Canadian Pacific seemed to require.

The question at issue at this time is not whether there shall or shall not be differential rates ; that question we are prepared to discuss on its merits when a meeting is held for the purpose of revising the agreement of 1894. The question now is whether, as a condition precedent to a meeting of the lines interested for the purpose of revising

this agreement, the rates and conditions *ante bellum* shall be restored. We have a right to insist on this, but in the interest of peace we have been willing to leave to disinterested arbitration the question as to whether the rates and conditions shall be restored in whole or in part or not at all, pending a meeting. A resolution providing for such arbitration was offered at the conference of the lines interested at New York three weeks ago. This resolution was supported by the Grand Trunk and all other parties interested, except the United States transcontinental lines, whose representatives asked for time, and subsequently recorded their votes against it. There can, therefore, be no question as to where the responsibility lies for the continuance of the disturbance.

The decision of the Interstate Commerce Commission at Washington, on suspending the "long and short haul" clause of the Interstate Commerce Act, has been pointed to as showing that we were in the wrong and our competitors in the right. It shows nothing of the kind. It was a decision on *ex parte* evidence, and clearly stated that the Commission was in possession of evidence of the cutting of rates before our tariff was published, and the decision contains the distinct statement that but for a technicality in connection with the issue of our tariff the action of the Commission on the application of our competitors would have been different. These are the words of the decision in that regard :

"If the Canadian Pacific made these rates with the concurrence of its American connections, observing, as it apparently now does, the rule of the fourth section, an entirely different question would be presented."

While we are earnestly desirous of peace, and are willing to go as far as we can towards securing it, the present and future interests of the Company must not be overlooked.

I am glad to be able to assure our shareholders that up to this time the Company's revenues have not suffered through the existing difficulties, and I may point to the fact that during the month of March, over the whole of which the disturbance extended, our increase in earnings was \$541,000.

I cannot dismiss this subject without referring to the action of the Grand Trunk Company, with whom we have so long been at peace, in aiding our American competitors to carry their reduced rates into our territory. We believe that the cancellation of the North Bay agreement by the Grand Trunk two months ago was the result of an understanding with the American lines, and was intended to place us at a disadvantage in the coming contest; and in view of our past relations, and the loss of revenue that must result to the Grand Trunk, their action is inexplicable.

But now let me turn to something more agreeable. We have had a fairly prosperous year and the financial results, after due provision for all expenses of working and ample maintenance, have enabled the Directors to make a distribution of dividends at the rate of four per cent for the past year, and to carry forward \$897,088 surplus to the reserve, and so far as we can see this prosperity will continue and increase. We have never entered upon a new year with so cheerful an outlook as at present. An analysis of the traffic of the various sections of the main line, the branch lines, and the auxiliary services on the sea, lakes and rivers, shows that practically no mistakes have been made in the development of the system so far as we have gone. Some things have had to be done ahead of time in order to protect our future, and we have had to wait for a good many vacant spaces on our lines to be

come productive, but nearly all of these spaces are now yielding revenue and practically all of our branch lines are self-supporting. We have been forced to make lines which we did not, at the time, wish to make, but the results have shown that we have nothing now to regret in this regard. Our heavy movement of passengers westward is not all towards the Klondike by any means. A great many settlers are going to the prairies of the North-West, from the soil of which gold will the more surely come, and a great many more are going to take farms in British Columbia or to work the big mines of the Kootenay. Our reports tell us that the area of land prepared for seeding in the North-West is twenty per cent greater than ever before, and development and new industries seem to be the rule everywhere in the vicinity of your lines.

The Directors are asking your authority to expend a considerable amount of money for improvements of various kinds. These expenditures have in the past brought a very handsome return, as is evidenced in part by the reduction in our ratio of working expenses to gross receipts to fifty-seven per cent., and the expenditures now proposed will be equally profitable. The Directors are also asking your authority to provide adequate rolling stock for the further increase in traffic which they confidently expect, but the money will not be expended unless the need becomes a certainty. The use of extra heavy locomotives which has been made possible by the improvement in the permanent way has had a marked effect on the cost of transportation, and within a short time only the heavier type of locomotives will be used on your principal lines.

And the Report having been considered, it was moved by Sir Wm. C. Van Horne, President, seconded by Mr. Thomas C. Shaughnessy, Vice-President, and unanimously

Resolved,

That the Report on the affairs of the Company for the year ended 31st December, 1897, now submitted, be adopted.

The President explained, and laid on the table, an agreement dated 6th September 1897, between the Company and the Dominion Government, entered into under the authority given by the Shareholders at the last Annual Meeting, and referred to in the Annual Report, providing for the construction of the Crow's Nest Pass Line.

Whereupon it was moved by Mr. L. J. Forget, seconded by Mr. George R. Harris, and unanimously

Resolved,

That the Shareholders do hereby ratify and confirm the agreement dated the 6th September 1897, now submitted to this Meeting, and made between the Company and the Government of the Dominion of Canada, as required by the terms of the Act passed at the last session of Parliament entitled "An Act to authorize a subsidy for a Railway through the Crow's Nest Pass," and do authorize and approve the expenditure of the Capital required for the construction and equipment of the railway therein contracted for.

The President submitted for approval a lease in perpetuity, dated 1st January, 1898, from the British Columbia Southern Railway Company to this Company, of its railway between the western boundary of the Territory of Alberta and Nelson, in British Columbia, and the same having been explained and laid on the table, it was moved by Mr. Harry W. Birks, seconded by Mr. Wilmot D. Matthews, and unanimously

Resolved,

That the lease dated 1st January, 1898, and made by the British Columbia Southern Railway Company as lessor, to the Canadian Pacific Railway Company as lessee, of the railway between the western boundary of the Territory of Alberta and Nelson, in British Columbia, and its lands and appurtenances as therein described, now submitted to this meeting, be, and the same is hereby approved, ratified and confirmed; which lease, amongst other things, demises the said railway and lands and appurtenances to this Company, in perpetuity, at a rental equal to four per centum per annum on the amount of the actual cost to the lessor of the said properties so demised, this Company providing in the first instance all sums necessary to pay such cost, and the lessor having the right to repay the same on giving six months' notice, and that until the lessor so pays the said cost the rental shall be nominal, it being intended that in the meantime the use of the moneys so provided by the Canadian Pacific Railway Company to defray the said cost, shall be compensation for the use of the said demised properties; the said lease containing also a covenant that the Canadian Pacific Railway Company may, at any time before the lessor Company shall have reimbursed the cost as aforesaid, at its option purchase the said demised properties on giving to the lessor Company a valid acquittance in respect of all claims to moneys so advanced as aforesaid.

The desirability of the acquisition by the Company of the railway and properties of the Columbia & Western Railway Company, extending from Robson to Rossland, B. C., and of authorizing the construction of a line from a point at or near Robson to the Boundary Creek District, a distance of about 100 miles, during the present year, alluded to in the Annual Report, having been explained by the President, it was moved by Mr. Charles Meredith, seconded by the Hon. Donald MacInnes, and unanimously

Resolved,

That it is expedient for this Company to acquire the railway, and railway properties, of the Columbia & Western Railway Company from Rossland, via Trail, to Robson in British Columbia, about thirty-three miles in length, either by lease or purchase, or otherwise, as may be authorized by the Parliament of Canada, and to make improvements thereon; and also to construct and equip a railway from a point at or near Robson to the Boundary Creek District, in the said Province, a distance of about 100 miles, by such route as may be found most feasible, using the franchises of the Columbia & Western Railway Company, or the British Columbia Southern Railway Company, or ~~such~~ other franchises as may be available to this Company for that purpose; and for the said purposes or any of them the Directors are authorized to ~~expend~~ such Capital, or enter into such guarantees, ~~as they~~ may deem necessary.

The President referred to the construction, during the year, of the extension of the Columbia & Kootenay Railway from Slocan Junction to Slocan Lake, referred to in the Annual Report, and having explained the necessity therefor, it was moved by Mr. Richard B. Angus, seconded by Sir George A. Kirkpatrick, and unanimously

Resolved,

That the action of the Directors in having authorized and secured the construction of an extension of the Columbia & Kootenay Railway, leased in perpetuity by this Company, from Slocan Junction to Slocan Lake, a distance of about 32 miles, be and the same is hereby approved, ratified and adopted.

A lease, dated 21st April, 1897, from the St. Stephen and Milltown Railway Company, to this Company, of its

railway extending from St. Stephen to Milltown, in the Province of New Brunswick, alluded to in the Annual Report, was explained by the President and laid on the table.

Whereupon it was moved by Mr. Henry Beatty, seconded by Mr. John Morrison, and unanimously

Resolved,

That the lease, dated 21st April, 1897, from the St. Stephen and Milltown Railway Company to this Company, of its line of railway extending from St. Stephen to Milltown in the Province of New Brunswick, a distance of about 4.64 miles, at a rental of \$2,050 per annum, be approved, and that the execution of the said lease on behalf of the Company by the President and Secretary is hereby ratified and confirmed.

The President explained the necessity, as stated in the Annual Report, for commencing, at an early date, the double tracking of the line between Montreal and Toronto; and it was moved by Mr. James Williamson, seconded by Mr. Richard B. Angus, and unanimously

Resolved,

That in view of the opinion of the Directors ~~that the~~ increased traffic on the line between Montreal and Toronto renders it ~~expedient to~~ proceed, at an early date, with ~~the double~~ tracking of that portion of the Railway, the Directors be and they are hereby authorized to proceed with the work as and when they may deem advisable, and to expend such Capital as may be necessary for that purpose.

The President submitted for approval a statement of certain expenditures on Capital Account during 1897 in excess of the amount authorized by the Shareholders

at the last Annual Meeting, the necessity for which was created as explained in the Annual Report; also estimates, approved by the Directors, of proposed Capital expenditure to be incurred during the current year on Construction and Improvement account; and the same having been laid on the table and considered, it was moved by Mr. Harry W. Birks, seconded by Mr. Wilmot D. Matthews, and unanimously

Resolved,

That in accordance with the recommendation of the Directors, the Shareholders do hereby approve, ratify and confirm the expenditures on Capital Account during the year 1897 for additions and improvements, rolling stock, steamships and other equipment in addition to the amount authorized by the Shareholders at the last Annual Meeting and amounting to \$1,108,424.08; and

Resolved,

That the Shareholders do hereby authorize the further expenditures on Capital Account during the current year, as recommended by the Board of Directors, as follows:

For permanent bridges, ballasting and other improvements of permanent way.....	\$1,399,550 00
For terminal facilities, stations, wharves, grain elevators, additional sidings, and fences.....	748,104 00
For rolling stock and other equipment, and for automatic freight train brakes and couplers.....	1,919,875 00
For Steamships and Lake and River Steamers.....	375,000 00
For additional Telegraph Lines and Cables..	252,696 00
	\$4,695,225 00

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Mr. J. Try-Davies, seconded by Mr. A. C. Clark, and unanimously

Resolved,

That a ballot be now taken for the election of Directors

for the ensuing year, and that Mr. Charles Meredith and Mr. William R. Miller be appointed scrutineers to take such ballot.

The ballot having been taken, the President read the report of the scrutineers which declared that the under-mentioned gentlemen had been elected by the unanimous vote of the meeting, viz.:

RT. HON. LORD STRATHCONA & MOUNT ROYAL	MONTREAL.
SIR WILLIAM C. VAN HORNE, K.C.M.G.	do
MR. THOMAS G. SHAUGHNESSY	do
MR. RICHARD B. ANGUS	do
MR. EDMUND B. OSLER, M.P.	TORONTO.
SIR SANDFORD FLEMING, K.C.M.G.	OTTAWA.
SIR GEORGE A. KIRKPATRICK, K.C.M.G.	TORONTO.
MR. GEORGE R. HARRIS	BOSTON.
MR. WILMOT D. MATTHEWS	TORONTO.
HON. DONALD MACINNES, SENATOR	HAMILTON.
MR. THOMAS SKINNER	LONDON.
MR. JOHN W. MACKAY	NEW YORK.
GEN. SAMUEL THOMAS	do

And the proceedings terminated.

WM. C. VAN HORNE, *President.*

C. DRINKWATER, *Secretary.*

NOTE:—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected President and Mr. Thomas G. Shaughnessy, Vice-President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE :

Sir Wm. C. Van Horne, K.C.M.G., Mr. Thomas G. Shaughnessy,
 Rt. Hon. Lord Strathcona and Mount Royal.
 Mr. Richard B. Angus.

1112/99
PROPERTY OF
STATISTICAL DEPARTMENT.
NOT TO BE LOANED OR TAKEN FROM OFFICE.

ANNUAL REPORT

OF THE

CANADIAN PACIFIC

RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDING DECEMBER 31ST

1898.

MONTREAL, MARCH, 1899.

ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
FISCAL YEAR ENDING DECEMBER 31st, 1898.

NOTICE TO SHAREHOLDERS.

The Eighteenth Annual Meeting of the Shareholders of the Company for the election of Directors, and the transaction of business generally, will be held on WEDNESDAY, the 5th day of April, next, at the principal office of the Company at Montreal, at 12 o'clock noon.

The Common Stock transfer books will close in London at 3 p.m. on Tuesday, February 28th, and in Montreal and New York on Friday, March 10th.

The Preference Stock books will close at 3 p.m. on Friday, March 10th.

All books will be reopened on Thursday, April 6th.

By order of the Board,

CHARLES DRINKWATER,

Secretary.

Montreal, 13th February, 1899.

BOARD OF DIRECTORS.

RT. HON. LORD STRATHCONA AND MOUNT ROYAL,	MONTREAL.
SIR WM. C. VAN HORNE, K. C. M. G.,	do.
MR. RICHARD B. ANGUS,	do.
" T. G. SHAUGHNESSY,	do.
" EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	BOSTON.
" WILMOT D. MATTHEWS,	TORONTO.
HON. DONALD MACINNES, Senator,	HAMILTON.
SIR GEO. A. KIRKPATRICK, K.C.M.G.,	TORONTO.
MR. THOMAS SKINNER,	LONDON.
GEN. SAMUEL THOMAS,	NEW YORK.
MR. JOHN W. MACKAY,	do.

OFFICERS.

SIR WM. C. VAN HORNE, K. C. M. G., <i>President</i> ,	MONTREAL.
MR. T. G. SHAUGHNESSY, <i>Vice-President</i> ,	do.
" CHAS. DRINKWATER, <i>Secretary</i> ,	do.
" GEO. M. CLARK, Q.C., <i>Chief Solicitor</i> ,	do.
" I. G. OGDEN, <i>Comptroller</i> ,	do.
" W. SUTHERLAND TAYLOR, <i>Treasurer</i> ,	do.
" THOS. TAIT, <i>Manager of Lines East of Fort William</i>	do.
" W. WHYTE, <i>Manager of Lines West of Fort William</i>	WINNIPEG.
" C. W. SPENCER, <i>Gen. Supt. Eastern Division</i> ,	MONTREAL.
" R. MARPOLE, <i>Gen. Supt. Pacific Division</i> ,	VANCOUVER.
" J. W. LEONARD, <i>Gen. Supt. Ontario & Quebec Division</i> ,	TORONTO.
" H. P. TIMMERMAN, <i>Gen. Supt. Atlantic Division</i> ,	ST. JOHN, N.B.
" D. McNICOLL, <i>Passenger Traffic Manager</i> ,	MONTREAL.
" GEO. M. BOSWORTH, <i>Freight Traffic Manager</i> ,	do.
" ROBT. KERR, <i>Traffic Mgr. of Lines West of Fort William</i> ,	WINNIPEG.
" P. A. PETERSON, <i>Chief Engineer</i>	MONTREAL.
" C. R. HOSMER, <i>Manager of Telegraphs</i> ,	do.
" L. A. HAMILTON, <i>Land Commissioner</i> ,	WINNIPEG.
" HARRY MOODY,	{ <i>Deputy Secretary and Registrar of</i> <i>Transfers, 1 Queen Victoria St., LONDON, E.C.</i>
" ARCHER BAKER,	{ <i>European Traffic Agent, 67 and 68</i> <i>King William Street,</i> - do.
Agents of the Bank of Montreal, 59 Wall St., <i>Transfer Agents</i> , - NEW YORK.	

EXECUTIVE COMMITTEE.

SIR WM. C. VAN HORNE, K. C. M. G.,	MR. T. G. SHAUGHNESSY.
RT. HON. LORD STRATHCONA AND MOUNT ROYAL.	
MR. RICHARD B. ANGUS.	
GENERAL OFFICES,	MONTREAL.

CANADIAN PACIFIC RAILWAY COMPANY.

EIGHTEENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED DECEMBER 31st, 1898.

To the Shareholders.

A balance sheet of the affairs of the Company at 31st December, 1898, together with the usual statements and schedules are herewith submitted.

The gross earnings for the year were	\$26,138,977.13
The working expenses were.....	15,863,605.51

And the net earnings were	10,475,371.62
---------------------------------	---------------

Add interest earned on deposits and loans and
income from other sources..... \$ 87,966.86

Add interest due from Duluth,
South Shore & Atlantic
Ry. Co. on Consolidated
bonds held by your Com-
pany against Debenture
Stock issued \$604,280.00

Less advanced by your Com-
pany 395,280.00

209,000.00

Add interest from Minn-
neapolis, St. Paul & Sault
Ste. Marie Ry. Co. on
bonds held by your Com-
pany against Debenture
Stock issued.....

126,400.00

423,366.86

Carried forward..... \$10,898,738.48

Brought forward	\$10,898,738.48
<i>Deduct</i> Fixed Charges accrued during the year, including interest on Land Bonds (see page 12).....	6,774,321.24
The surplus for the year was	\$4,124,417.24
From this there has been charged off the half yearly dividend on Preference Stock ;—	
2 per cent. paid 1st October, 1898.	\$235,546.67
And half yearly dividend on Ordinary Stock ;	
2 per cent. paid 1st October, 1898.	1,300,000.00
	<u>1,535,546.67</u>
Leaving balance	\$2,588,870.57
From this there has been declared a second half yearly dividend on Preference Stock of 2 per cent. payable 1st April, 1899.	\$237,162.50
And a second half yearly dividend of 2 per cent. on Common Stock payable 1st April, 1899	<u>\$1,300,000.00</u>

2. The working expenses for the year amounted to 59.92 per cent. of the gross earnings, and the net earnings to 40.08 per cent., as compared with 57.16 and 42.84 per cent. respectively in 1897.

3. The earnings per passenger per mile were 1.52 cents and per ton of freight per mile 0.76 cents, as against 1.82, and 0.78 cents respectively in 1897.

4. Although the gross earnings for the year were considerably beyond those of 1897, the net earnings show a comparatively small increase. This was due in part to the rate disturbances which continued during nine months of the year, but in greater part to the long continued rains following the harvest in the North West, which prevented the threshing and harvesting and marketing of grain until within a few weeks of the close of lake navigation, making it necessary to find employment for the Company's rolling stock in other traffic affording little profit.

5. The passenger rate difficulty which prevailed at the date of the last annual report continued until November, when it was terminated with results not unsatisfactory to your Directors. This settlement resulted in a restoration of the North Bay arrangement with the Grand Trunk Company, and in removing all visible causes of friction with that Company.

6. The Company's ocean and lake steamships, and its telegraph, express, sleeping cars and grain elevators, have continued to add largely to your profits, and together show a handsome increase over any past year.

7. Your property has been maintained in excellent condition throughout and has been much improved in the way of permanent structures and station and terminal facilities, and large additions have been made to its equipment. A detailed statement of the expenditures for permanent improvements and new equipment is appended.

8. Two hundred and eighty miles of your principal lines were relaid during the year with steel rails weighing 73 pounds per yard in place of the original 56 and 60 lbs. rails.

9. The application of automatic couplers and air brakes to your freight equipment is well advanced, and the end of this heavy expense will soon be reached.

10. The Crow's Nest Pass line, mentioned in the last annual report, was completed to Kootenay Lake in October, too late in the year to affect your year's results as regards earnings.

11. The acquisition of the Columbia and Western Railway, which was authorized at your last Annual Meeting,

has been carried out, and a formal lease has been entered into which you will be asked to approve. That railway is now in the possession of your Company, and its extension westward from Robson to the Boundary Creek Mining District (100 miles), to which your assent was also given, is now well advanced, and is expected to be completed about midsummer. This extension, although unusually expensive in construction, is fully justified by the extensive developments in the districts it is intended to serve, and which are as yet without railway facilities.

12. The Company will acquire, in connection with this line, 1,600,000 acres of land from the Province of British Columbia; but it is probable that this grant will be converted into a cash subsidy.

13. The attractions of the Klondyke drew away many prospectors and miners from Southern British Columbia early in the year, but the development of the mines of the latter district has continued and the shipments of ores have increased as rapidly as the means of transportation would permit. The much desired shipping facilities afforded by the new Crows Nest Pass line and the facilities which will soon be afforded by the Boundary Creek line, will, without doubt, give a great impetus to ore shipments and to business generally in the Kootenay, Rossland and Boundary Creek districts.

14. Two extensions of branch lines in Manitoba were made during the year, one of the Stonewall Branch northward to Foxton, 19⁶ miles, and one of the Pipestone Branch westward 17 miles; the settlement of the country having made both of these necessary.

15. Your Company expended a considerable amount, about the beginning of the year, in ocean and river steamers

for the expected large movement towards the Yukon (Klondyke) country ; but, unfortunately, the steamers could not be got ready in time to take full advantage of such trade as there was ; it is however expected that the present season will afford them profitable employment.

16. The Company's hotel at Quebec—the Chateau Frontenac—has been most successful, and a large addition was made to it last year to meet the requirements of the travel it had so largely stimulated. It has not only become profitable in itself, but has from its beginning added materially to your passenger earnings.

17. A final agreement for the sale of the Aylmer Branch (between Hull and Aylmer, 7.5 miles), for \$100,000 has been entered into, subject to your approval.

18. During the year \$919,000 of the 4 per cent. Consolidated Mortgage Bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway ; \$717,500 of the 5 per cent. First Mortgage Bonds of the Montreal and Ottawa Railway, and £120,000 of the 4 per cent. First Mortgage Bonds of the Columbia and Kootenay Railway, in respect of interest upon all of which your Company is liable as guarantor, were purchased with the proceeds of £412,191 four per cent. Consolidated Debenture Stock, your Company thereby effecting a considerable annual saving.

19. During the year £2,285,000 of 4 per cent. Preference Stock was created and sold, and the proceeds have been applied to the purchase of the Alberta Railway, to the completion of the Crow's Nest Pass Line, and towards the expenditures for additions, improvements and equipment, already authorized by the Shareholders.

20. The purchase price of the Columbia and Western Railway, the amount expended on its extension from

Robson to Boundary Creek, and the cost of the extensions of the Stonewall and Pipestone Branches, together with a portion of the amount expended on general improvements and equipment, have been temporarily advanced from the Company's surplus.

21. The Duluth South Shore and Atlantic Railway, although still requiring assistance from your Company, is steadily improving in its earnings. The discovery of extraordinary deposits of cheaply mined iron in adjacent districts, six or seven years ago, forced a heavy reduction in the rates of that railway on iron ore, which had been its chief source of earnings; but this loss is being made good by the development of a diversified traffic, and your Directors are encouraged to believe that this line will soon be self-sustaining.

22. The Minneapolis, St. Paul and Sault Ste. Marie Railway—the so-called “Soo Line”—earned last year \$413,275 above all its interest and other fixed charges, but necessary expenditures for rolling stock and various additions and improvements prevented the repayment to your Company of any part of the advances made prior to 1897. You will be asked to approve measures for placing this important line on a proper financial footing, such as will admit of its healthy development and insure its continued profitable working.

23. You will be asked to approve expenditures for improvements of permanent way aggregating \$1,150,979; for additional station, yard and terminal facilities at Montreal, Vancouver, and other points, \$788,187; for the completion of air brake and automatic coupler equipment \$305,010; for branch lines to mines in connection with the Crows Nest line, \$300,000; and to authorize the purchase of rolling

stock to the extent of \$1,000,000, as the traffic of the Company may require.

24. Your Directors are glad to be able to report a continued and marked improvement in land sales, which for the year were 348,608 acres for \$1,121,744, as against 199,482 acres for \$665,740 in 1897, and 87,878 acres for \$308,928 in 1896.

25. The position of the land grants will be found in schedule "D" appended to this report.

26. The satisfactory progress which has been made in the settlement of the Northwest is evidenced not only in the largely increased land sales of the Company, but in the number of homesteads taken up from Government lands in Manitoba and the Territories beyond, which, according to official returns, were 4,848 in 1898 as against 2,406 in 1897.

27. A much larger amount of grain from the Northwestern crops remains to be moved than ever before at this time of the year, and this, together with the most satisfactory agricultural and industrial conditions now prevailing in Canada, which are due in a great measure to good crops and good prices and to successful mining, gives promise of a large spring and summer traffic.

For the Directors,

WM. C. VAN HORNE,

President.

MONTREAL, 27th February, 1899.

APPENDIX.

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FIXED CHARGES .1898.

£7,191,500	1st Mortgage Bonds 5 p.c.....	\$1,749,931.66
\$7,000,000	Province of Quebec, 4½ p.c.....	283,500.00
£1,100	North Shore 1st Mortgage 5 p.c.:—	267.66
£200,000	Canada Central 2nd Mortgage 6 p.c.....	58,400.00
	“ “ 1st “ Sinking	51,100.00
£200,000	St. Lawrence and Ottawa 4 p.c.....	38,933.34
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage 5 p.c..	127,200.00
	Toronto, Grey and Bruce Rental.....	140 000.00
£4,007,381 15s. 5d.	Ontario and Quebec Debentures 5 p.c....	975,129.56
\$2,000,000	Ontario and Quebec (ordinary) 6 p.c....	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage, less Government proportion....	136,333.34
£750,000	Algoma Branch 5 p.c.....	182,500.00
	Rental, Farnham to Brigham Jct.....	1,400.00
	Rental Mattawamkeag to Vanceboro....	23,800.00
	Rental New Brunswick Railway system.	372,829.74
	Rental of Terminals at Toronto	34,634.62
	Rental of Terminals at Hamilton.....	30,910.24
	Rental Hamilton Junction to Toronto...	40,000.00
	Rental St. Stephen and Milltown Ry....	2,050.00
	Interest on Montreal and Western Ry. purchase.....	21,742.32
	Interest on equipment leases	70,076.93

4% DEBENTURE STOCK.

Issues for general purposes.....	3,933,748	
Issue for China & Japan Steamers..	720,000	
Issue for Souris Branch.....	1,004,000	
	£5,657,748	\$1,101,374.95
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C.P.R.:—		
1 year on... £3,915,737		
6 mos. on... 199,630		
	4,115,417	781,703.87
	£9,773,165	1,883,078.82
Interest on Land Grant Bonds.....	697,947.74	
Less: Interest on Deferred Payments on Land Sales and proceeds of Town Sites not covered by mortgage.....	267,444.73	
		430,503.01
		<u>\$6,774,321.24</u>

SCHEDULE "A."

DETAILS OF BALANCE SHEET ITEM

"ACQUIRED SECURITIES HELD AGAINST DEBENTURE
STOCK ISSUED."

Atlantic & North-West Railway, 5 per cent. Guaranteed Stock	\$ 3,240,000 00
Columbia & Kootenay Railway 4 per cent. First Mort- gage Bonds	1,277,500 00
Manitoba South Western Colonization Railway, 5 per cent, First Mortgage Bonds	72,000 00
North Shore Railway 5 per cent. First Mortgage Bonds .	610,766 34
Duluth, South Shore & Atlantic Railway 4 per cent. Consolidated Mortgage, guaranteed.	15,107,000 00
" Income certificates	3,000,000 00
" Preferred Stock (constituting a majority).....	5,100,000 00
" Ordinary Stock (constituting a majority).....	6,100,000 00
Minneapolis, St. Paul & Sault Ste. Marie Railway 4 p. c. Consolidated Mortgage, guaranteed.	3,679,000 00
" Preferred Stock (constituting a majority).	3,533,400 00
" Ordinary Stock (constituting a majority).	7,066,600 00
Souris Branch, First Mortgage Bonds, £400,000.	1,946,666 67
Pacific Steamship First Mortgage Bonds, £720,000	3,504,000 00
Montreal and Ottawa Railway Bonds	1,235,750 00

SCHEDULE "B."
DETAILS OF BALANCE SHEET ITEM.
" OTHER ACQUIRED SECURITIES."

MONTREAL & OTTAWA RAILWAY BONDS.

(Acquired from proceeds of Preference Stock issued in 1893.).....	\$400,000.00
--	--------------

ATLANTIC & NORTHWEST RAILWAY BONDS,—

Eganville Branch.

(Acquired from proceeds of Preference Stock).....	\$302,400.00		\$702,400.00
--	--------------	--	--------------

MONTREAL & ATLANTIC RAILWAY STOCK,

21,600 shares, \$2,160,000.00 (cost).....	\$1,489,761.94
(Formerly South Eastern Railway.)	

\$2,192,161.94

SCHEDULE "C."

DETAILS OF BALANCE SHEET ITEM

" MISCELLANEOUS SECURITIES AND ADVANCES."

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY. —Income certificates, (cost)	270,000.00
(Acquired in connection with the controlling interest in the stock of that Company.)	
CHATEAU FRONTENAC, (QUEBEC HOTEL), Stock	280,000.00
(Undertaken in the general interest of the Company in connection with the acquisition of the North Shore Railway (the Company's line between Montreal and Quebec) and in connection with the cancellation of a contingent liability of \$1,108,628 thereon.)	
CANADA NORTHWEST LAND CO., STOCK, (cost).	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C. N. W.Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE	96,724.57
(Acquired in 1890, with view to extension of line from Woodstock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY., STOCK	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equipment and organization.)	
INSURANCE PREMIUMS PREPAID	69,023.66
(On contract to secure advantageous terms).	
SOUTH ONTARIO PACIFIC RAILWAY STOCK	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK	35,000 00
MISCELLANEOUS SECURITIES AND ADVANCES	127,309.75
	\$1,529,895.25

SCHEDULE "D."—LANDS.

SALES—	ACRES.	AMOUNT REALISED.	AVERAGE PER ACRE.
Canadian Pacific Land Grant, 1898	242,135	\$757,792	\$3.13
	1897 135,682	431,096	3.18
Man. South Western Grant, 1898	106,473	363,982	3.42
	1897 63,800	234,644	3.68
Total sales.....	1898 348,608	1,121,774	3.22
	1897 199,482	665,740	3.33½

POSITION OF LAND GRANTS AT DEC. 31ST, 1898.

CANADIAN PACIFIC—	Acres.	Acres.
Original Grant.....	25,000,000	
Surrendered to Government under agreement of March 30th, 1886.....	6,793,014	
	18,206,986	
Souris Branch Land grants.....	1,611,520	
	19,818,506	
Sales to Dec. 31st, 1898.....	3,954,849	
Less cancelled in 1898.....	33,093	
	3,921,756	

Quantity of land unsold..... 15,896,750

MANITOBA SOUTH WESTERN—	Acres.	
Total Grant.....	1,396,800	
Sales to Dec. 31st, 1898.....	329,703	
Less cancelled in 1898.....	2,540	
	327,163	
Quantity of land unsold	1,069,637	

COLUMBIA & KOOTENAY—	Acres.	
Total Grant	190,000	
Sales to Dec. 31st, 1898.....	2,208	
	187,792	
Total land owned by the Company	17,154,179	

In addition to the foregoing the Company will receive through the British Columbia Southern Railway about 3,350,000 acres.

SCHEDULE "E."

CONSTRUCTION—ACQUIRED AND BRANCH LINES.

Souris Branch Extension (Pipestone line)	\$ 94,195.35
Stonewall Branch Extension	129,196.82
Nakusp and Slocan Branch.....	15,304.79
Lake Temiscamingue Colonization Ry.....	537.62
Preliminary surveys of projected lines.....	49,449.79
Total.....	<u><u>\$288,684.37</u></u>

SCHEDULE "F"

**DETAILS OF EXPENDITURE ON ADDITIONS AND
IMPROVEMENTS DURING 1898.**

MAIN LINE.**QUEBEC TO BONFIELD.**

Additional sidings.....	\$ 1,520.78
Additional buildings, stations and yards.	13,470.18
Heavy rails and fastenings, less credit for lighter rails removed.....	18,999.01
Filling trestles and culverts.....	39,132.40
Additional fencing.....	145.95
Improvements, Hochelaga Yards.....	37,660.00
Improvements, Outremont Yards.....	16,619.24
Improvements, Viger Square Yard.....	5,105.80
Improvements Mile End Freight Yards.	37,451.14
Montreal East End Station.....	111,966.79
Pembroke, new station.....	3,115.78
Diversion of Line Quebec.....	3,693.29
Dalhousie Square Freight Sheds, Yards, etc.....	26,304.45

\$315,184.81**BONFIELD TO FORT WILLIAM.**

Additional sidings.....	\$ 4,616.57
Additional buildings, stations and yards.	1,010.41
Heavy rails and fastenings, less credit for lighter rails removed.....	35,669.01
Filling trestles and culverts and widening cuttings and embankments.....	72,868.15
Permanent bridges.....	9,664.78
Additional fencing.....	2,228.87

\$126,057.79**FORT WILLIAM TO DONALD.**

Additional sidings.....	\$ 62,847.60
Additional buildings, stations and yards.	40,939.68
Heavy rails and fastenings, less credit for lighter rails removed.....	78,755.69
Filling trestles and culverts and widening cuttings and embankments.....	139,788.61
Permanent bridges.....	70,385.36
Additional fencing.....	6,878.70
Additional water supply.....	8,955.14
New elevator and tracks, Fort William..	76,318.47
New station and car shops, Moose Jaw..	44,316.35
Field, new Divisional point.....	27,138.38
Calgary, new Divisional point.....	57,494.83

\$613,808.81Carried forward..... **\$1,055,051.41**

<i>Brought Forward</i>		\$1,055,051.41
DONALD TO PACIFIC COAST.		
Additional sidings	\$11,811.10	
Additional buildings, stations and yards	42,988.31	
Heavy rails and fastenings, less credit for lighter rails removed	25,917.90	
Filling trestles and culverts, and widening cuttings and embankments	126,435.31	
Permanent bridges	99,637.10	
Additional fencing	1,816.56	
Additional water supply	3,020.05	
Wharves, warehouses, docks, etc	53,728.97	
Extension of Main Line, Vancouver	89.70	
New station, New Westminster	1,900.00	
New Station, Vancouver	67,745.07	
Hotel, Revelstoke	7,923.93	
Diversion of line near Illecillewaet	9,429.9	
Permanent bridges, filling trestles and other improve- ments on Government sec- tion.	134,591.93	
Less, amount due from Dom- inion Government	6,809.51	
	127,782.42	
		579,726.33
Total on Main Line....		\$1,634,777.74
BRANCH LINES.		
Buckingham Branch	538.86	
Emerson Branch	296.95	
Selkirk Branch	3,220.51	
Stonewall Branch	259.51	
Mission Branch	6,827.16	
South Western Branch :		
Additional buildings	2,358.60	
Filling trestles, &c.	1,420.54	
Additional fencing	2,199.05	
	5,978.19*	
Souris Branch :		
Additional buildings	8,550.60	
Additional fencing	2,305.51	
Additional sidings	222.10	
Additional water supply	20.62	
Ballasting	5,000.02	
Right of way	147.05	
	16,245.90	
Algoma Branch:		
Additional fencing	861.38	
Additional sidings	2,186.27	
Permanent bridges	3,620.82	
Filling culverts and trestles, widening cuttings and em- bankments	25,461.35	
Heavy rails and fastenings, less credit for rails removed.	2,863.62	
	39,993.44	
		73,360.52
Carried forward.		\$1,708,138.26

Brought Forward..... \$1,708,138.28

Revelstoke and Arrow Lake Branch :

Additional buildings 1,285.42
 Additional sidings 133.92
 Permanent bridges 8,807.80
 Filling trestles, etc. 665.93
 Docks and wharves 6,212.44
 Right of way 77.75

17,183.26

17,183.26

Telegraph Extensions and additions 296,961.36

Total for improvements Main Line and branches \$2,022,282.88

SCHEDULE "G."

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES DURING 1898.

ONTARIO & QUEBEC RAILWAY.

Heavy rails and fastenings, less credit for lighter rails removed	\$ 8,462.04
Permanent bridges	50,803.15
Additional sidings	84,275.15
Additional stations and buildings	20,738.02
Right of way and perfection of title	4,209.48
Filling trestles and culverts, and widening cuttings, embankments	32,810.20
Water supply	1,734.36
Elevator, Owen Sound	16,144.00
Terminal facilities, Owen Sound	16,722.96
This Company's proportion of interlocking and derailling plant G. T. R. crossing west of Woodstock	1,774.11
Improving grades of Galt and Drumbo....	16,354.62
Double tracking between Ste. Annes and Montreal Jct.	49,133.62
Terminals at Toronto :	
Buildings and yards	11,725.97
Interlocking appliances Queen's Wharf	3,876.67
	15,602.64
Real Estate Montreal and Toronto, less sale of property at London	87,647 86
	\$ 406,412.21

ATLANTIC AND NORTH-WEST RAILWAY.

Filling trestles and culverts, and widening cuttings and embankments	\$105,398.99
Heavy rails and fastenings, less credit for lighter rails removed.	23,817.42
Permanent Bridges	51,203.12
Additional sidings and semaphores	43,999 88
Additional stations, buildings and yards..	10,662.20
Right of way and perfection of title	4,593.79
Additional water supply	4,869.98
Additional fencing	1,445.73
Megantic addition to engine house and additional tracks	13,714.90
Second track—Daly's to Outremont	37,073.25
	\$ 296,779.16

MONTREAL & WESTERN RAILWAY.

Account purchase of road	\$ 6,150.06
Carried forward	\$ 709,341.53

<i>Brought Forward</i>	\$ 709,341.53
MANITOBA SOUTH WESTERN CO. RY.	
Additional Buildings.....	\$ 6,997.64
Additional Fencing.....	2,841.11
Right of way and perfection of title.....	51.40
Filling trestles and culverts, widening cuttings and embankments.....	18,957.32
Additional sidings.....	1,052.45
Divisional point—La Riviere.....	159.36
	\$ 30,659.28
NEW BRUNSWICK RY.	
Additional buildings.....	\$ 6,905.46
Permanent bridges.....	31,158.66
Additional fencing.....	17,085.80
Right of way and perfection of title.....	442.00
Heavy rails and fastenings, less credit for lighter rails removed.....	24,667.43
Filling trestles and culverts.....	29,326.53
Additional water supply.....	3,512.50
Additional sidings and semaphores.....	39,266.92
Improvements, McAdam Jct.....	19,775.02
Wharves at St. John..	58,371.66
Elevator at St. John.....	115,787.58
	\$ 346,299.56
Total	<u><u>\$1,086,300.37</u></u>

RECEIPTS AND EXPENDITURES 1898.

RECEIPTS.

Treasury Balance, December 31st, 1897.... \$5,352,262.68
 Surplus revenue, "as per statement.....\$4,124,417.24

Land Department.

Proceeds of land sales.....	\$764,480.78	
Less expenditures.....	85,056.97	
	679,423.81	
Less, Land Grant Bonds cancelled	7,000.00	
	672,423.81	
Less, amount remaining in Deferred Payments.....	613,988.22	
	58,435.59	
Collection of Deferred Payments.....	133,622.56	
		192,058.15

Man. S. W. Col. Ry. Land Grant.

Proceeds of sales	377,713.77	
Less expenditures	17,278.27	
	360,435.50	
Less, Interest paid Province of Manitoba.....	38,760.78	
	321,674.72	
Less, amount remaining in Deferred Payments.....	303,241.55	
	18,433.17	
Collection of Deferred Payments.....	10,326.06	
		28,759.23

Col. & Kootenay Ry. Land Grant.

Collection of Deferred Payments.....	8,283.52	
Less expenditures.....	4,472.48	
		3,811.04

Town Sites.

Proceeds of sales.....	247,010.92	
Less expenditures, improvements, grading, clearing, etc.	34,366.33	
	212,644.59	
Collection of Deferred Payments.....	8,969.69	
	221,614.28	
Less, amount applied against advances on lands.....	212,644.59	
		8,969.69
		\$4,358,015.35

Carried forward....\$9,710,278.03

Brought forward.....\$ 9,710,278.03

MONTREAL & OTTAWA RAILWAY,

From proceeds of sale 1st Mortgage Bonds, refund of amount advanced as per bal- ance sheet December 31st, 1897	277,758.66
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Columbia & Kootenay Railway.

From proceeds of sale 1st Mortgage Bonds, refund of amount advanced as per balance sheet December 31st, 1897	491,080.94
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Bonuses.

Dominion Government sub- sidy, earned on construction of Crow's Nest Extension..	2,322,440.00
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Consolidated Debenture Stock.

Amount issued for acquiring guaranteed securities £412,191	2,005,996.20
--	--------------

Four per cent. Preference Stock.

Amount realized from sale of £2,285,000 sold to meet Cap- ital Expenditure.....	10,461,267.27
	15,558,543.07
	25,268,821.10

Add, Increase in Current Liabilities.....	1,410,397.02
	26,679,218.12

Deduct Station and Traffic Balances and accounts receivable.....	3,565,638.38
Miscellaneous Securities and Advances....	1,529,895.25

	5,095,533.63
Less, Amount at December 31st, 1897.....	4,263,624.77
	831,908.86
	\$25,847,309.26

EXPENDITURES

Interest on funded debt and rental of leased lines due January 1st, 1893, and accrued to that date		\$1,851,018.92
<i>Dividends on Preference Stock,</i>		
2 per cent. paid April 1st, 1898	193,613.33	
2 per cent. paid October 1st, 1898	235,546.67	
		432,160.00
<i>Dividends on Ordinary Stock.</i>		
2½ per cent. paid April 1st, 1898.....	1,625,000.00	
2 per cent. paid October 1st, 1898.....	1,300,000.00	
		2,925,000.00
Construction acquired and branch lines (Schedule E)	288,684.37	
Construction Crow's Nest extension.....	5,501,800.98	
Alberta Railway purchase.....	976,590.00	
Columbia and Western Railway purchase and extension.....	2,520,470.16	
Additions and improvements main line and branches (Schedule F)	2,022,282.88	
Additions and improvements leased lines (Schedule G)	1,086,300.37	
Rolling stock, shops and machinery	2,016,966.68	
Hotels and other buildings at Vancouver and other points, held in trust.....	12,103.60	
<i>Coast Steamships.</i>		
Completion of purchase and equipment steamships "Athenian" and "Tartar" ..	231,913.34	
<i>British Columbia Lake and River Steamships.</i>		
Purchase of steamboats and barges	322,548.50	
<i>Real Estate.</i>		
Purchase of real estate in and near Montreal	32,463.17	
Less, sale of real estate at Toronto	22,615.70	
		9,847.47
<i>Guaranteed Securities acquired by sale of 4% Debenture Stock.</i>		
Montreal & Ottawa Ry., 1st Mortgage Bonds, \$717,500.00	661,865.74	
Columbia & Kootenay Ry., 1st Mortgage Bonds, £120,000.....	530,815.16	
Minneapolis, St. Paul & Sault Ste. Marie Ry., 4% Consolidated Bonds, \$919,000.....	814,727.66	
		2,007,408.56
Increase of material and stores on hand	616,720.09	
		22,821,815.92
Add, Cash Assets December 31st, 1898.....	4,147,228.80	
Add, Amounts due from Imperial and Dominion Governments	728,311.24	
		4,875,540.04
Less, Amount of accrued fixed charges	1,850,046.70	
		3,025,493.34
		<u>\$25,847,309.26</u>

STATEMENT OF EARNINGS FOR THE YEAR 1898

From Passengers	\$ 6,538,589.58
Freight	16,231,444.93
Mails	609,974.57
Express	615,631.43
Parlor and Sleeping Cars	455,345.07
Telegraph, Grain Elevators, and Miscellaneous, including profit on Pacific Steamships	1,687,991.55
	<u>\$26,138,977.13</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR 1898.

Conducting Transportation	\$4,014,178.20
Maintenance of Way and Structures	3,274,642.90
Motive Power	4,866,253.15
Maintenance of Cars	962,263.83
Parlor and Sleeping Car Expenses	86,197.99
Expenses of Lake and River Steamers	413,195.02
General Expenses	1,589,777.06
Commercial Telegraph	457,097.36
	<u>\$15,663,605.51</u>

STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1898.

Locomotives	644
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars	622
First class sleeping and dining cars	111
Parlor cars, Official and Paymasters' cars	26
Freight and cattle cars, (all kinds)	16,942
Conductors' vans	348
Board, Tool and Auxiliary Cars and steam shovels	627
<i>Pacific Steamships</i> —Empress of China, Empress of Japan, Empress of India, Athenian, Tartar.	
<i>River Steamers for Yukon Trade</i> —Ogilvie, Duchesnay, Hamlin, McConnell Schwatka, Dalton, Walsh, Dawson.	
<i>Lake Steamers</i> —Alberta, Athabasca, Manitoba.	
<i>Ferry Steamers</i> —Ontario, Michigan.	
<i>River Steamers</i> —Kootenay District—Kootenay, Rossland, Lytton, Kokanee, Slocan, Illicilliweat, Aberdeen, Trail, Nelson, Moyie, Minto, Wm. Hunter.	
<i>Tugs</i> —Columbia, Sandon, Ymir.	

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1889 TO 1898, INCLUSIVE.

	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.
Passengers	\$ 4,623,474 00	\$ 4,774,713 76	\$ 5,459,789 46	\$ 5,556,316 40	\$ 5,656,204 90	\$ 4,840,412 38	\$ 4,683,137 74	\$ 4,820,143 30	\$ 5,796,115 12	\$ 6,538,589 58
Freight.....	9,057,719 34	10,106,844 02	12,665,540 26	13,330,540 19	12,673,075 38	11,445,377 78	11,877,851 95	13,187,560 31	15,257,896 94	16,231,444 98
Mails.....	354,044 32	356,038 61	516,098 45	483,922 58	496,134 49	498,129 16	540,116 18	607,543 98	603,210 49	609,974 57
Express.....	247,606 70	280,288 43	298,633 25	302,259 34	333,975 39	342,472 29	387,605 93	460,201 90	530,749 65	615,631 43
Parlor and Sheep- ing Cars	239,108 14	268,096 76	303,545 09	331,202 73	380,470 10	331,719 69	302,637 63	303,888 48	361,777 38	455,346 07
Telegraph, Grain Elevators & Mis- cellaneous, in- cluding Profits on Pacific Steam- ships	847,190 93	786,767 40	1,007,469 47	1,405,110 53	1,422,457 13	1,294,056 46	1,149,687 44	1,302,458 87	1,469,785 07	1,687,091 55
Total	\$15,369,138 43	\$16,552,528 98	\$20,241,095 98	\$21,409,351 77	\$20,862,317 44	\$18,752,167 71	\$18,941,036 87	\$20,681,596 84	24,049,534 65	\$26,138,977 13
Expenses.....	9,241,302 27	10,252,828 47	12,231,438 11	12,980,004 21	13,220,501 39	12,328,858 63	11,460,085 88	12,674,015 10	13,745,758 76	15,663,005 51
Net Earnings	\$6,127,836 16	\$6,299,700 51	\$8,009,659 87	\$8,429,347 56	\$7,641,816 05	\$6,423,309 08	\$7,480,950 99	\$8,107,581 74	10,303,775 89	\$10,475,971 62

DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

DESCRIPTION.		1896.	1897.	1898.
Flour	Barrels.	3,291,299	2,911,072	3,292,450
Grain	Bushels.	32,528,256	37,756,201	35,443,081
Live Stock	Head.	566,219	663,773	715,018
Lumber	Feet	636,128,418	831,895,383	840,145,338
Firewood	Cords.	166,831	185,208	203,336
Manufactured Articles.	Tons.	1,070,675	1,310,827	1,529,044
All other Articles	Tons.	878,261	994,813	1,119,087

FREIGHT TRAFFIC.

	1896.	1897.	1898.
Number of Tons carried	4,442,055	5,174,484	5,582,038
Number of Tons carried one mile.	1,769,958,865	1,955,911,006	2,142,319,887
Earnings per Ton per mile....	0.75 cents.	0.78 cents.	0.76 cents.

PASSENGER TRAFFIC.

	1896.	1897.	1898.
Number of Passengers carried...	3,029,887	3,179,589	3,674,502
Number of Passengers carried one mile	263,607,453	317,997,951	430,493,139
Earnings per Pass. per mile...	1.83 cents.	1.82 cents.	1.52 cents.

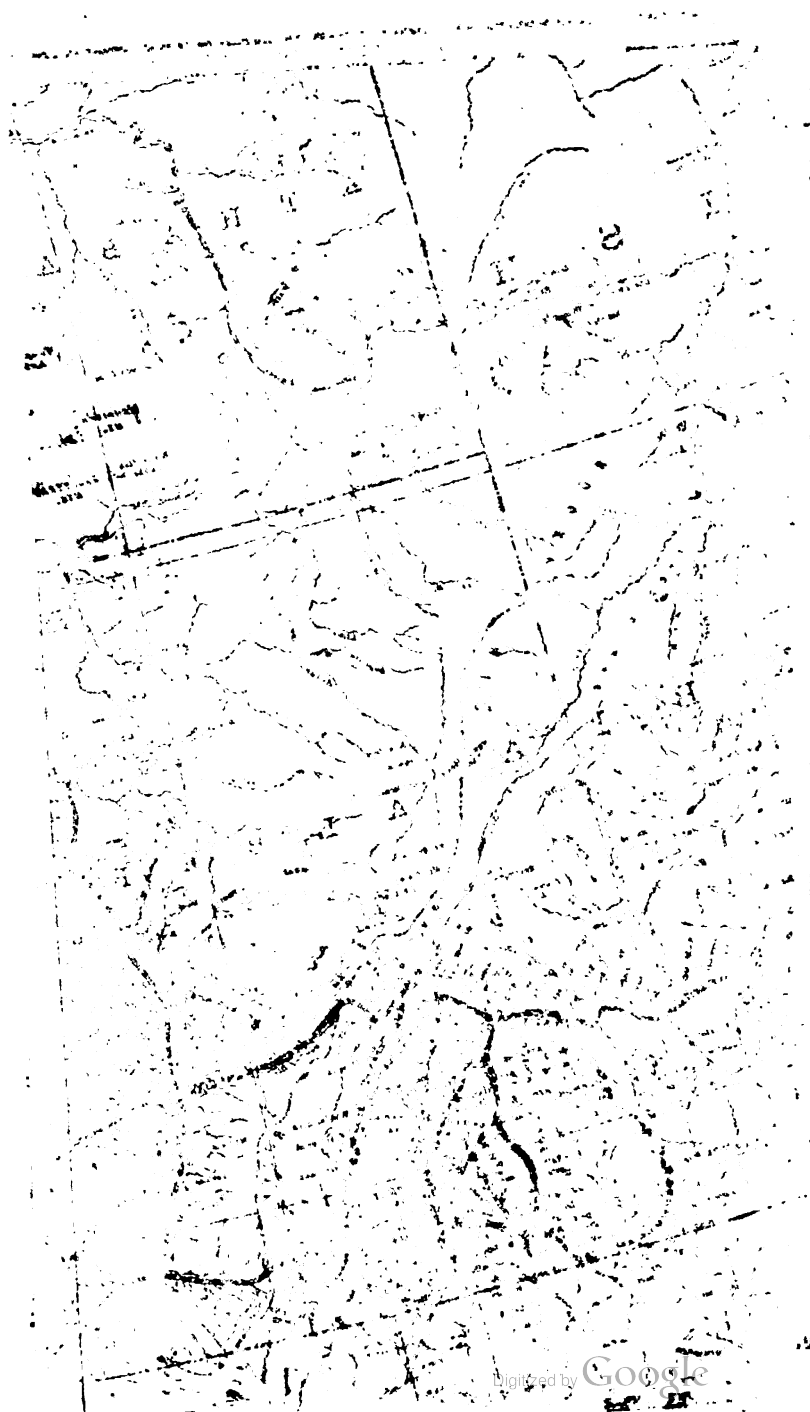
TRAFFIC TRAIN EARNINGS, 1898.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	7,160,764	\$ 7,907,854 97	\$ 1.14
Freight.....	10,496,129	15,682,335 19	1.49
Total.....	17,656,893	\$23,590,190 26	\$1.34

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Pacific Steamships, Lake Steamers, River Steamers in Yukon trade, British Columbia Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$1,678,494.49.

EXPENSES PER TRAFFIC TRAIN MILE, 1898.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way and structures.....	\$ 3,274,642 90	0.185
Motive power.....	4,866,253 15	0.276
Maintenance of cars.....	962,263 83	0.055
Traffic and general expenses.....	5,690,153 25	0.322
	<u>\$ 14,793,313 13</u>	<u>\$0.838</u>





REPORT OF THE PROCEEDINGS

AT THE

EIGHTEENTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, APRIL 5TH, 1899,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE EIGHTEENTH ANNUAL MEETING OF THE
SHAREHOLDERS, HELD ON WEDNESDAY, 5TH
APRIL, 1899.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The President, Sir Wm. C. Van Horne, took the chair, and the Secretary of the Company acted as secretary of the meeting.

The Secretary having read the notice calling the meeting, the President, in moving the adoption of the Report on the affairs of the Company for the year ended 31st December, 1898, which had been previously mailed to the shareholders, said :

“The Annual Report deals so fully with the year’s operations of the Company that it seems hardly necessary to supplement it with any remarks on this occasion beyond a reference to the measures which will be submitted for your approval relating to the Minneapolis, St. Paul & Sault Ste. Marie Railway, the so-called “Soo Line,” the most important of your subsidiary lines. These measures were not fully stated in the Report, because the details were not definitely settled at the time it was issued. The “Soo” Company can hardly be said to be in default to you in its

interest obligations. The deficits which your Company has been called upon to make good have been entirely due to expenditures for equipment, terminal facilities and general improvements such as are incident to a new and growing property; indeed, the expenditures for equipment and terminal facilities were almost entirely made at the instance of your Company, with the object of improving the joint earnings. The total advances to the "Soo" by your Company amount to \$1,431,663, while the expenditures for equipment, terminal facilities and general improvements during the years in which these advances were made, foot up \$1,748,041; but as our accounts stand, the advances of interest charged against our income account appear to have been \$963,846, and for other purposes, as shown in the balance sheet, \$467,817. The Soo Company has coming due in the immediate future certain interest bearing obligations which were outstanding at the time your Company became interested in that property, and it is necessary to provide for these, and at the same time provision should be made for all of the floating obligations of that Company, and also for additional equipment and facilities required at once as well as for some years to come. It is proposed that the Soo Company shall issue second mortgage bonds to the extent of \$5,000,000, the interest on the bonds to be guaranteed by your Company. It is only intended that \$3,500,000 of these bonds shall be guaranteed and disposed of in the immediate future; and the remainder are to be held subject to the control of your Company for the possible later requirements of the Soo Company. This arrangement will enable the Soo Company to devote its net earnings to the payment of its interest charges, and at the same time to repay in annual instalments the interest which has been advanced by your Company. Its improved earnings justify the belief of your Directors that it will not only be able to do this, but

to make a return on its Capital Stock of which your Company holds more than one-half. The arrangement is fully set out in the resolution which will be submitted for your approval, and in the agreement with the Soo Company which will be laid on the table."

And the Report having been considered, it was moved by Sir Wm. C. Van Horne, President, seconded by Mr. Thomas G. Shaughnessy, Vice-President, and unanimously resolved : That the Report on the affairs of the Company for the year ended 31st December, 1898, now submitted be adopted.

The President submitted and explained an Agreement between the Company and the Hull Electric Company, referred to in the Annual Report, providing for the sale of the Aylmer Branch to the latter Company and for the interchange of traffic between the two lines, and it was moved by James Williamson, Esq., seconded by Jesse Joseph, Esq., and unanimously

Resolved,

That the agreement dated 9th January, 1899, between the Canadian Pacific Railway Company and the Hull Electric Company, now submitted, providing for the sale to the latter Company of the Aylmer Branch of the Canadian Pacific Railway extending from Hull to Aylmer, for the sum of one hundred thousand dollars, and providing also for the permanent interchange of traffic between the two Companies, be and the same is hereby approved, ratified and confirmed.

The following resolution, relating to the construction of extensions of the Pipestone and Stonewall Branches referred to in the Annual Report, and the issue of securities thereon was read, and on motion of Charles Meredith, Esq.,

seconded by the Hon. L. J. Forget, the same was unanimously adopted, viz :

Whereas, the Company has applied to the Parliament of Canada at its present session for an Act authorizing the Company, amongst other things, to construct, acquire, and operate a railway from a point at or near the north terminus of its Stonewall Branch to Foxton, in the Province of Manitoba, referred to in the Annual Report, thence northerly and north-easterly to a point on the west shore of Lake Winnipeg between Gimli and Arnes ; and also a railway from a point on the one last named, thence in a direction generally north-west to a point on the east shore of Lake Manitoba between Marsh Point and the north boundary of township twenty-five ; and also a railway, referred to in the Annual Report, from a point at or near Reston, on the Company's Pipestone Branch, thence in a general westerly direction to a point in the Moose Mountain District, thence in a westerly and north-westerly direction to a point at or near Regina, with power to issue in aid of the construction and equipment of the said railways or any one or more of them or any part thereof, bonds which will be a first lien and charge thereon, with the same effect as if the same were being built by the Company as a branch of its railway within the meaning of Section One of Chapter Fifty-one of the Statutes of 1883, or in lieu of such bonds Consolidated Debenture Stock conferring on its holders equal rights in all respects and a rank *pari passu* with holders of such Consolidated Debenture Stock as the Company has been heretofore authorized to issue ;

Therefore the Shareholders do hereby resolve,

That if the said Parliament do pass an Act empowering the Company to issue Consolidated Debenture Stock for the purpose of aiding the construction or the construction and equipment of the said railways, or any one or more of

them, or any part or parts thereof, then for that purpose the Directors may issue Consolidated Debenture Stock of the Company to such amounts as they deem expedient not exceeding in the aggregate the rate of \$20,000 per mile thereof, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. per annum, payable at the times and places and in the ^{same} manner as on the stock heretofore issued, provided that if the Company issue bonds creating a lien on the said railways or any portion or portions thereof, then the amount of Consolidated Debenture Stock which may be issued as aforesaid in respect thereof shall be diminished to the extent of the amount of such bonds.

A lease in perpetuity of the Columbia and Western Railway to this Company of its property and franchises, referred to in the Annual Report, was submitted and explained, and on motion of John Morrison, Esq., seconded by Sir Sanford Fleming, it was unanimously
Resolved,

That the lease now submitted to this meeting dated 12th July, 1898, whereby the Columbia and Western Railway Company demises in perpetuity to this Company with the option of purchase, the lessor's railway from Rossland to Midway in British Columbia by the route therein described, and the branches therefrom whether constructed or to be constructed, be and the same is hereby approved, ratified and confirmed ; the yearly rental being an amount equal to the interest on the capital of such bonds as the lessor may from time to time issue, such capital not at any time to exceed the maximum limit of thirty-five thousand dollars for each mile of the said demised railway and branches which shall then have been completed, or be under contract to be completed, and such interest, not exceeding five per cent. per annum payable half-yearly, to be guaranteed by this Company, by way of rental.

The following resolution relating to an agreement with the Minneapolis, St. Paul and Sault Ste. Marie Railway Co., providing for extended traffic arrangements and for the guarantee by this Company of the interest on an issue by that Company of Second Mortgage Bonds, was submitted by the President, and the agreement having been explained and laid on the table, the resolution was on motion of the Hon. L. J. Forget, seconded by Charles Meredith, Esq., unanimously adopted, viz. :

Whereas, this Company's Board of Directors consider it advantageous to enter into an agreement with the Minneapolis, St Paul and Sault Ste. Marie Railway Company, hereinafter called "the Soo Company," for a further working arrangement on the terms and conditions set out in a draft thereof now submitted to this meeting and endorsed by the Secretary for identification ;

And whereas the said agreement provides, amongst other things, for interchange of traffic between the two Companies and the division of earnings and other matters relating to such traffic, as therein more particularly set forth, and that the Soo Company shall make an issue of its Corporate Bonds to be denominated "Second Four per cent. Fifty Year Gold Bonds" to an aggregate of Five million dollars, or its equivalent in sterling money, and shall secure the payment of the same by a second mortgage to the Central Trust Company of New York as Trustees of all its railways and other properties therein described, and that this Company shall guarantee the payment of the interest on the said bonds at the rate of Four per cent. per annum, payable half-yearly ; all of the said bonds to be executed by the Soo Company and delivered to the said Trustees, after which a portion thereof, namely, three million five hundred thousand dollars, or its equivalent in sterling money, is to be in the first instance certified by the Trustees and delivered back to the Soo Company for

issue, the proceeds thereof to be applied approximately as follows, that is to say :

For terminal yards and facilities at Minneapolis, increased accommodation at divisional and intermediate points, permanent bridges and general additions and improvements.....	\$950,000 00
For redemption of interest bearing securities coming due, and for payments on account of rolling stock equipment already purchased, and for additional equipment estimated to be required.....	1,675,000 00
For payment of floating debt incurred for additions and improvements to the property including amount advanced by the Canadian Pacific Railway Company for that purpose, but not including amount advanced by that Company on account of interest on bonds which will be distributed over a term of years.....	875,000 00
	<u>\$3,500,000 00</u>

The remainder of the said bonds, namely, One million five hundred thousand dollars, or its equivalent in sterling money, to be afterwards certified by the Trustees from time to time in such amounts as the Soo Company, by resolution of its Board of Directors may direct, the written concurrence and approval of this Company having been first obtained ; provided that the said remainder of the said bonds or any part thereof shall not be disposed of, or the proceeds thereof applied, except as this Company shall from time to time first authorize and approve of in writing ;

Now therefore it is resolved

That the Shareholders do hereby approve of the transaction embodied in the said agreement, and do authorize the Board of Directors to cause the said agreement to be executed on behalf of this Company under its corporate seal and the signatures of such of its officials as they may appoint for that purpose, and from time to time to do whatever may be necessary in order to carry out and give effect to the terms thereof.

The President submitted and explained estimates approved by the Directors of proposed Capital expenditure to be incurred during the current year on construction and improvement account ; and the same having been laid on the table it was moved by J. Try-Davies, Esq., seconded by Wm. R. Miller, Esq., and unanimously

Resolved,

That the Shareholders do hereby authorize expenditures on Capital Account during the current year, as recommended by the Board of Directors, as follows :

Improvement permanent way.....	\$ 1,150,979
Additional station yard and terminal facilities.....	788,187
Completion of air brake and automatic coupler equipment.....	305,010
Branch lines to mines in connection with Crow's Nest Line (as required).....	300,000
Rolling stock (as required).....	1,000,000
	\$ 3,544,176

The following By-law, passed by the Board of Directors, was submitted for approval, viz. :

BY-LAW No. 76.

The Canadian Pacific Railway Company hereby enacts as follows, that is to say :

Any person who does any of the following acts without the written consent of the Company in or upon any passenger car of the Company or in any station or premises occupied by the Company shall be and is hereby subjected to a penalty not exceeding Forty dollars, that is to say :

Advertising, soliciting custom or canvassing for any hotel, lodging house, restaurant, or other like places ; or soliciting the transportation of passengers or baggage or selling or exhibiting for sale any goods, wares or merchandise ;

And if any person while on any passenger car continue to do any of the said acts after being forbidden by the Conductor, then he may be put off the train in the same way as a passenger who refuses to pay his fare may be.

Dated this Ninth day of January, 1899.

Whereupon it was moved by Henry Beatty, Esq., seconded by E. B. Osler, Esq., and unanimously

Resolved

That By-law No. 76 now submitted and read be and the same is hereby approved.

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Wm. Hendrie, Esq., seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved,

That a ballot be now taken for the election of Directors for the ensuing year, and that Charles Meredith, Esq., and Wm. R. Miller, Esq., be appointed Scrutineers to take such ballot.

The ballot having been taken, the President read the report of the Scrutineers which declared that the under-mentioned gentlemen had been elected by the unanimous vote of the meeting, viz. :

THE RT. HON. LORD STRATHCONA AND MOUNT ROYAL.
 SIR WM. C. VAN HORNE, K.C.M.G.
 MR. RICHARD B. ANGUS.
 MR. THOMAS G. SHAUGHNESSY.
 MR. EDMUND B. OSLER, M.P.
 SIR SANFORD FLEMING, K.C.M.G.
 SIR GEORGE A. KIRKPATRICK, K.C.M.G.
 GEN. SAMUEL THOMAS.
 MR. GEORGE R. HARRIS.
 MR. WILMOT D. MATTHEWS.
 HON. DONALD MACINNES.
 MR. THOMAS SKINNER.
 MR. JOHN W. MACKAY.

And the proceedings terminated.

WM. C. VAN HORNE, *President.*

C. DRINKWATER, *Secretary.*

NOTE :—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected President and Mr. Thomas G. Shaughnessy, Vice-President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE :

Sir Wm. C. Van Horne, K.C.M.G., Mr. Thomas G. Shaughnessy,
 The Rt. Hon. Lord Strathcona and Mount Royal,
 Mr. Richard B. Angus.

7/27/00

ANNUAL REPORT

OF THE

CANADIAN PACIFIC

RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED DECEMBER 31st

1899.

MONTREAL, MARCH, 1900.

ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY

FOR THE
FISCAL YEAR ENDED DECEMBER 31st, 1899.

NOTICE TO SHAREHOLDERS.

The Nineteenth Annual Meeting of the Shareholders of the Company for the election of Directors, and the transaction of business generally, will be held on WEDNESDAY, the 4th day of April, next, at the principal office of the Company at Montreal, at 12 o'clock noon.

The Common Stock transfer books will close in London at 3 p.m. on Tuesday, February 27th, and in Montreal and New York, on Friday, March 9th.

The Preference Stock books will close at 3 p.m. on Tuesday, February 27th. All books will be reopened on Thursday, April 5th.

By order of the Board,

CHARLES DRINKWATER,

Secretary

Montreal, 12th February, 1900.

BOARD OF DIRECTORS.

RT. HON. LORD STRATHCONA AND MOUNT ROYAL,	MONTREAL.
SIR WM. C. VAN HORNE, K. C. M. G.,	do.
MR. RICHARD B. ANGUS,	do.
" T. G. SHAUGHNESSY,	do.
" EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	BOSTON.
" WILMOT D. MATTHEWS,	TORONTO.
HON. DONALD MacINNIS, Senator,	HAMILTON.
MR. THOMAS SKINNER,	LONDON.
GEN. SAMUEL THOMAS,	NEW YORK.
MR. JOHN W. MACKAY,	do.
" CHARLES R. HOSMER,	MONTREAL.

OFFICERS.

SIR WM. C. VAN HORNE, K.C. M. G.,	Chairman,	- - -	MONTREAL.
MR. T. G. SHAUGHNESSY,	President,	- - -	do.
" CHAS. DRINKWATER,	Secretary, { and Asst. to the } President	- - -	do.
" GEO. M. CLARK, Q.C.,	Chief Solicitor,	- - -	do.
" I. G. OGDEN,	Comptroller,	- - -	do.
" W. SUTHERLAND TAYLOR,	Treasurer,	- - -	do.
" D. McNICOLL,	Asst. General Manager,	- - -	do.
" ROBT. KERR,	Passenger Traffic Manager,	- - -	do.
" GEO. M. ROSS,	Asst. General Manager,	- - -	do.
MR. JAMES OSBORNE,	Gen. Supt. Western Division,	- - -	WINNIPEG.
" THOS. TAIT,	Manager of Lines East of Fort William	- - -	do.
" W. WHYTE,	Manager of Lines West of Fort William	- - -	WINNIPEG.
" C. W. SPENCER,	Gen. Supt. Eastern Division,	- - -	MONTREAL.
" R. MARPOLE,	Gen. Supt. Pacific Division,	- - -	VANCOUVER.
" J. W. LEONARD,	Gen. Supt. Ontario & Quebec Division,	- - -	TORONTO.
" H. P. TIMMERMAN,	Gen. Supt. Atlantic Division,	- - -	ST. JOHN, N.B.
" JAS. KENT,	Manager of Telegraphs	- - -	MONTREAL.
" L. A. HAMILTON,	Land Commissioner,	- - -	WINNIPEG.
" HARRY MOODY,	{ Deputy Secretary and Registrar of Transfers, 1 Queen Victoria St., LONDON, E.C.	- - -	
" ARCHER BAKER,	{ European Traffic Agent, 67 and 68 King William Street,	- - -	do.
Agents of the Bank of Montreal, 59 Wall St., Transfer Agents, - NEW YORK.			

EXECUTIVE COMMITTEE.

SIR WM. C. VAN HORNE, K. C. M. G., MR. T. G. SHAUGHNESSY.
RT. HON. LORD STRATHCONA AND MOUNT ROYAL.
MR. RICHARD B. ANGUS. MR. EDMUND B. OSLER, M.P.
GENERAL OFFICES. - MONTREAL.

CANADIAN PACIFIC RAILWAY COMPANY

NINETEENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED DECEMBER 31ST, 1899.

To the Shareholders.

A balance sheet of the affairs of the Company at 31st December, 1899, together with the usual statements and schedules are herewith submitted.

The gross earnings for the year were \$29,230,038.26
The working expenses were..... 16,999,872.77

And the net earnings were 12,230,165.49

Add interest earned on deposits and loans and
income from other sources including profits
from special steamship charters..... \$ 333,978.57

Add interest due from Duluth,
South Shore & Atlantic
Ry. Co. on Consolidated
bonds held by your Com-
pany against Debenture
Stock issued \$604,280.00

Less advanced by your Com-
pany 272,780.00
331,500.00

Add interest from Minn-
neapolis, St. Paul & Sault
Ste. Marie Ry. Co. on
bonds held by your Com-
pany against Debenture
Stock issued..... 159,720.00

Add amount repaid by Minn-
neapolis, St. Paul & Sault
Ste. Marie Ry. Co. on ac-
count interest advanced
previous to 1895..... 325,000.00

1,150,198.57

Carried forward.....\$13,380,364.06

Brought forward.....	\$13,380,364.06
Deduct Fixed Charges accrued during the year, including interest on Land Bonds (see page 12).....	6,816,676.36
The surplus for the year was.....	\$6,563,687.70
Deduct amount applied against cost of steamships,	155,000.00
	<u>\$6,408,687.70</u>
From this there has been charged off the half yearly dividend on Preference Stock ;—	
2 per cent. paid 1st October, 1899.....	\$419,020.00
And half yearly dividend on Ordinary Stock ;	
2 per cent. paid 1st October, 1899.....	1,300,000.00
	<u>1,719,020.00</u>
Leaving balance.....	\$4,689,667.70
From this there has been declared a second half yearly dividend on Preference Stock of 2 per cent. payable 1st April, 1900.....	\$535,820.00
And a further dividend of 3 per cent. on Common Stock payable 1st April, 1900 (making 5 per cent. for the year).....	<u>\$1,950,000.00</u>

2. The working expenses for the year amounted to 58.16 per cent. of the gross earnings, and the net earnings to 41.84 per cent., as compared with 59.92 and 40.08 per cent. respectively in 1898.

3. The earnings per passenger per mile were 1.79 cents. and per ton of freight per mile 0.74 cents, as against 1.52 and 0.76 cents respectively in 1898.

4. During the year, two hundred and seventy-four miles of the main line were relaid with steel rails weighing seventy-three and eighty pounds per yard, and the policy was continued of improving the railway and its facilities with a view to most economical operation.

5. To meet the requirements of the traffic, a greater number of cars and locomotives had to be provided than was anticipated a year ago, involving an expenditure of \$1,070,315.36 in excess of the appropriation made at the last annual meeting. You will be asked to approve the action of your Directors by sanctioning this expenditure.

6. The Columbia & Western Railway, from Robson to the Boundary Creek District, has been completed, and there is every evidence that it will add largely to the tonnage and revenue of your railway system.

7. Branch lines from Deloraine to Wascada, 18 miles in length, and from La Riviere to Snowflake, 16 miles in length, were built in Manitoba for the purpose of reaching important settlements; an extension of the Pipestone Branch, 50 miles westward from its present terminus, was commenced, to provide railway facilities for the productive country in the Moose Mountain District; a branch line, 26 miles in length, from McGregor in the direction of Varcoe, was partially constructed to protect valuable territory, and work was commenced on another branch line, 24 miles in length, from Molson to Lac du Bonnet, in order to reach the timber district tributary to English River.

8. The work of double-tracking the line between Montreal and Toronto was commenced, and seventeen miles of the busiest section were completed.

9. An arrangement was made with the Arrowhead & Kootenay Railway Company to build a portion of their line, 35 miles in length, in order to comply with the terms of their charter, and to serve the Trout Lake mining district in British Columbia. The arrangement contemplates a lease to your Company of the line on the basis of its actual cost.

10. During the year four per cent. Consolidated Debenture Stock to the amount of £960,000, was created and sold for the purpose of acquiring the bonds of the Columbia & Western Railway Company. The bonds are now in the Company's treasury amongst acquired securities held against Debenture Stock issued.

11. Four per cent. Preference Stock to the amount of £1,200,000, was created and sold for the purpose of meeting expenditures for rolling stock, additions and improvements, authorized by the shareholders.

12. The first mortgage five per cent. Canada Central Bonds that matured October first, amounting to £187,400, were retired by an issue of four per cent. Consolidated Debenture Stock.

13. The Land Grant Bonds to the amount of \$1,000,000 held by the Dominion Government as security for certain works to be performed, have been surrendered and destroyed. Under the terms of the mortgage, Land Grant Bonds to the face value of \$250,000 were called for redemption from the proceeds of land sales, and of these \$155,000 had been redeemed and cancelled at the end of the year. A further amount will be called shortly.

14. The net proceeds of town site sales, as shown in the balance sheet for 1898, viz., \$1,363,224.69, have been transferred in reduction of the cost of the Company's property, and especially allotted to the Ocean, Lake and River Steamships; and there has been applied, in further reduction of the same item, a portion of the profit resulting from the operation of the Pacific Steamers during the year, amounting to \$155,000.

15. Pursuant to the authority given at the last annual meeting, your Company guaranteed interest on three millions five hundred thousand dollars second mortgage bonds of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, the proceeds of which were devoted to the payment of maturing interest bearing securities, the purchase of rolling stock, the repayment of capital advanced by your Company, and the other purposes specified in the resolution. The balance unexpended at

the end of the year amounting to \$1,359,629.12 is deposited in trust with your Company.

The advances made by your Company in previous years for the payment of interest on the Minneapolis, St. Paul & Sault Ste. Marie Railway Company's Bonds are being carried as a deferred liability of that Company, to be repaid in instalments as its earnings may warrant.

16. The net earnings of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company for the year were \$2,243,883.11, out of which were paid interest and charges amounting to \$1,618,226.73, leaving a surplus of \$625,656.38.

From this surplus that Company repaid \$325,000, of the amount advanced by your Company previous to 1895 to meet interest on their bonds for which your company is responsible as guarantor.

As the payments when made were charged against your revenue, the amount received has been credited to the same account.

17. The net earnings of the Duluth, South Shore & Atlantic Railway Company for the year were \$943,478.53, or about \$14,000, more than all fixed charges. Notwithstanding the necessity for meeting all capital expenditures out of revenue that Company was able to pay towards interest on its bonds held by your Company the amount of \$122,500, in excess of the previous year.

18. The growth of your Company's business requires an enlargement of the facilities at Winnipeg that cannot longer be delayed. In connection with a new passenger station it is proposed to provide hotel accommodation for the travelling public. During the past year nearly all of the land necessary for these improvements was acquired, but it is estimated that the buildings and other works will

require an expenditure of \$750,000, within the next two years.

19. The addition to Windsor Street Station, Montreal, commenced during the past year, was delayed because of the difficulty in getting building material, so that the greater part of the work had to be carried over.

20. You will be asked to authorize expenditures during the current year at Montreal and Winnipeg in connection with these works to the extent of \$750,000 ; also expenditures for permanent wharves and other terminal works at Vancouver, \$98,817 ; for improvements to permanent way, \$978,744 ; for increased yard and other facilities at various points on the system, \$461,928 ; and for additional rolling stock, \$975,000.

21. You will be asked to approve a lease by your Company of the Manitoba & North Western Railway Company's main line and branches, two hundred and fifty-three miles in all, and a lease of the Great North West Central Railway, extending from a point on your main line near Brandon, Manitoba, in a northwesterly direction for a distance of fifty miles, with an extension now in course of construction, twenty miles in length. Both of these lines are important contributors of traffic to your system, and, therefore, you could not afford to have them fall into other hands. The terms of the proposed leases, which your Directors consider quite advantageous to your Company, are set out in the resolutions that will be submitted for your approval.

22. The Governments, to whom your Company must, in accordance with law, make full reports of its annual business, require those reports to be made to June 30th each year, and most of the important Railway Companies on this continent close their fiscal year at the same time ;

therefore, for the sake of convenience in the preparation of reports, and to simplify the comparison of your operations with those of other large railway systems similarly situated, and for the further advantage of having your largest net revenue result from the earnings of the first half rather than the second half of the fiscal year, your Directors are of opinion that the Annual Report and the accounts relating to the operations of your Company should hereafter be made up to June 30th, instead of December 31st, and the date of the annual meeting be changed from the first Wednesday in April to the first Wednesday in October each year. You will be asked to approve a by-law making this arrangement effective. A statement will be issued in October next of the accounts to June 30th, 1900, and thereafter the accounts will be submitted at the annual meeting in October, covering the fiscal year ending June 30th, in the usual way.

23. The land sales for the past year were 416,806 acres, for \$1,327,667, as against 348,608 acres, for \$1,121,774, in 1898.

The position of the land grants will be found in Schedule "D" of this report.

24. The growth of your gross earnings from \$18,941,000 in 1895 to \$29,230,000 in 1899, notwithstanding the important reductions made during that period in the rates for the carriage of freight in the territory west of Lake Superior, is evidence of the marvellous progress and development taking place in Canada, and which from all present indications are likely to be maintained.

For the Directors,

T. G. SHAUGHNESSY,

President.

MONTREAL, 27th February, 1900.

APPENDIX.

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FIXED CHARGES 1899.

£7,191,500	1st Mortgage Bonds 5 p.c.....	\$1,749,931.66
\$7,000,000	Province of Quebec, 4½ p.c.....	283,500.00
£1,100	North Shore 1st Mortgage 5 p.c.:—	267.66
£200,000	Canada Central 2nd Mortgage 6 p.c.....	58,400.00
	“ 1st “ Sinking Fund	34,066.65
£200,000	St. Lawrence and Ottawa 4 p.c.....	38,933.34
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage 5 p.c...	127,200.00
	Toronto, Grey and Bruce Rental	140 000.00
£4,007,381 15s. 5d.	Ontario and Quebec Debentures 5 p.c....	975,129.56
\$2,000,000	Ontario and Quebec (ordinary) 6 p.c....	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage, less Government proportion....	136,333.34
£750,000	Algoma Branch 5 p.c.....	182,500.00
	Rental, Farnham to Brigham Jct.....	1,400.00
	Rental Mattawamkeag to Vanceboro....	23,800.00
	Rental New Brunswick Railway system.	372,829.74
	Rental of Terminals at Toronto	34,860.10
	Rental of Terminals at Hamilton.....	33,537.49
	Rental Hamilton Junction to Toronto...	40,000.00
	Rental St. Stephen and Milltown Ry....	2,050.00
	Interest on Montreal and Western Ry. purchase.....	21,409.36
	Interest on equipment leases	67,536.63

4% DEBENTURE STOCK.

Issue for general purposes	3,933,748		
Issue for China & Japan Steamers..	720,000		
Issue for Souris Branch.....	1,004,000		
		£5,657,748	\$1,101,374.95
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C.P.R.:—			
1 year on	£4,276,858		
6 mos. on	960,000		
To retire Canada Central 1st Mortgage Bonds 3 months on	250,000		
		5,486,858	
		£11,144,606	938,168.34
			2,039,543.29
Interest on Land Grant Bonds.....	696,684.72		
Less: Interest on Deferred Payments on Land Sales and proceeds of Town Sites not covered by mortgage.....	363,237.18		
			333,447.54
			<u>\$6,816,876.36</u>

SCHEDULE "A."

DETAILS OF BALANCE SHEET ITEM
 "ACQUIRED SECURITIES HELD AGAINST DEBENTURE
 STOCK ISSUED."

Atlantic & North-West Railway, 5 per cent. Guaranteed Stock	\$ 3,240,000.00
Columbia & Kootenay Railway 4 per cent. First Mort- gage Bonds	1,277,500.00
Manitoba South Western Colonization Railway, 5 per cent, First Mortgage Bonds	72,000.00
North Shore Railway 5 per cent. First Mortgage Bonds.	610,766.67
Duluth, South Shore & Atlantic Railway 4 per cent. Consolidated Mortgage, guaranteed.	15,107,000.00
" Income certificates	3,000,000.00
" Preferred Stock (constituting a majority).....	5,100,000.00
" Ordinary Stock (constituting a majority)	6,100,000.00
Minneapolis, St. Paul & Sault Ste. Marie Railway 4 p. c. Consolidated Mortgage, guaranteed.	3,993,000.00
" Preferred Stock (constituting a majority).	3,533,400.00
" Ordinary Stock (constituting a majority).	7,066,600.00
Souris Branch, First Mortgage Bonds, £400,000	1,946,666.67
Pacific Steamship First Mortgage Bonds, £720,000	3,504,000.00
Montreal and Ottawa Railway Bonds	1,236,250.00
Columbia & Western Railway 5 per cent. First Mort- gage Bonds	5,477,500.00

SCHEDULE "B."
DETAILS OF BALANCE SHEET ITEM.
"OTHER ACQUIRED SECURITIES."

MONTREAL & OTTAWA RAILWAY BONDS.

(Acquired from proceeds of Preference Stock issued in 1893.).....	\$400,000.00
--	--------------

ATLANTIC & NORTHWEST RAILWAY BONDS,—

Eganville Branch.

(Acquired from proceeds of Preference Stock).....	\$302,400.00		\$702,400.00
--	--------------	--	--------------

MONTREAL & ATLANTIC RAILWAY STOCK,

21,600 shares, \$2,160,000.00 (cost).....	\$1,489,761.94
(Formerly South Eastern Railway.)	

\$2,192,161.94



SCHEDULE "C."

DETAILS OF BALANCE SHEET ITEM

" MISCELLANEOUS SECURITIES AND ADVANCES."

CHATEAU FRONTENAC, (QUEBEC HOTEL), Stock	\$280,000.00.
CANADA NORTHWEST LAND CO., STOCK, (cost).	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C. N. W.Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE	96,823.57
(Acquired in 1890, with view to extension of line from Woodstock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY., STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equipment and organization.)	
INSURANCE PREMIUMS PREPAID.....	193,566.60
(On contract to secure advantageous terms).	
SOUTH ONTARIO PACIFIC RAILWAY STOCK.	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK.....	35,000.00
MISCELLANEOUS SECURITIES AND ADVANCES.....	15,250.00
	<u>\$1,272,477.44</u>

NOTE.

Amount advanced Minn. St. Paul & Sault Ste. Marie Ry. for interest under guarantee.....	\$963,846.89
Less amount repaid	325,000.00
	<u>\$ 638,846.89</u>

SCHEDULE "D."—LANDS.

SALES—	ACRES.	AMOUNT REALIZED.	AVERAGE PER ACRE.
Canadian Pacific Land Grant, 1899	326,280	\$1,016,081	\$3.11
" " " " " " " " " " " "	1898 242,135	757,792	3.13
Man. South Western Grant, 1899	90,526	311,586	3.44
" " " " " " " " " " " "	1898 106,473	363,982	3.42
Total sales.	1899 416,806	1,327,667	3.19
" " " " " " " " " " " "	1898 348,608	1,121,774	3.22

POSITION OF LAND GRANTS AT DEC. 31st, 1899.

CANADIAN PACIFIC—	Acres.	Acres.
Original Grant.....	25,000,000	
Surrendered to Government under agreement of March 30th, 1886.....	6,793,014	
	18,206,986	
Souris Branch Land grants.....	1,611,520	
	19,818,506	
Sales to Dec. 31st, 1899.....	4,248,284	
Less cancelled in 1899.....	19,841	
	4,228,443	

Quantity of land unsold..... 15,590,063

MANITOBA SOUTH WESTERN—	Acres.	
Total Grant.....	1,396,800	
Sales to Dec. 31st, 1899.....	417,690	
Less cancelled in 1899.....	5,084	
	412,606	
Quantity of land unsold.....		984,194

COLUMBIA & KOOTENAY—	Acres.	
Total Grant.....	190,000	
Sales to Dec. 31st, 1899.....	6,208	
		183,792
Total land owned by the Company.....		16,758,049

In addition to the foregoing the Company will receive through the British Columbia Southern Railway about 3,350,000 acres.

SCHEDULE "E."

CONSTRUCTION—ACQUIRED AND BRANCH LINES.

Souris Branch—Pipestone Extension	\$214,543.45
Snowflake Branch	123,789.35
McGregor Branch	37,576.08
Lac du Bonnet Branch	12,030 86
Waskada Branch	142,896 69
North Star Branch	161,934.08
Lake Temiscamingue Colonization Ry.....	958.60
Surveys projected lines	19,111.25
Crow's Nest Pass & British Columbia Southern Ry	1,434,979.94
	\$2,147,820.30
Less:—Stonewall Branch Extension..... Cr	4,530.44
Total.....	<u><u>\$2,143,289.86</u></u>

SCHEDULE "F."

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS DURING 1899.

MAIN LINE.

QUEBEC TO BONFIELD :

Additional sidings, buildings, stations and yards.....	\$ 63,465.74	
Permanent bridges and improvements of line	22,083.14	
Ottawa terminals....	12,700.00	
Montreal East End Station.....	24,278.58	
Payment on purchase of Canada Central Railway	869.35	
		\$123,401.81

BONFIELD TO FORT WILLIAM :

Additional sidings, buildings, stations and yards.....	\$ 36,230.33	
Permanent bridges and improvements of line	134,944.94	
		\$171,175.27

FORT WILLIAM TO LAGGAN :

Additional sidings, buildings, stations and yards.	\$343,224.01	
Permanent bridges and improvements of line	221,221.23	
Double track, East of Winnipeg.....	5,683.33	
Winnipeg terminals.....	109,514.47	
		\$679,643.04
Carried forward.....		\$974,220.12

<i>Brought Forward</i>		\$974,220.12
LAGGAN TO PACIFIC COAST :		
Additional sidings, buildings, stations and yards.....	\$228,118.19	
Permanent bridges and improvements of line	376,268.28	
Right of way and perfection of title.....	830.50	
Wharves, docks and warehouses.....	49,283.79	
		654,500.76
Montreal terminals.....		168,000.60
Total Main Line....		\$1,796,721.48
BRANCH LINES.		
Emerson Branch	\$ 1,273.54	
Selkirk Branch.....	448.55	
Stonewall Branch	5,684.33	
Mission Branch	3,062.24	
Revelstoke and Arrow Lake Branch....	583.41	
Nakusp and Slocan Branch	1,530.42	
South Western Branch.....	2,886.19	
Souris Branch :		
Additional buildings....	350.96	
Improvements of line	20,391.63	
Right of way	195.46	
		20,938.05
Algoma Branch:		
Additional buildings.....	524.72	
Permanent bridges and im- provements of line.....	42,401.54	
		42,926.26
Total Branch Lines.....		\$79,312.99
Telegraph extensions and additions.		24,179.18
Total for improvements, Main Line and Branches..		<u>\$1,900,213.65</u>

SCHEDULE "G."

**DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED
LINES DURING 1899.**

ONTARIO & QUEBEC RAILWAY:—

Additional sidings, buildings, stations and yards	\$68,865.16	
Permanent bridges and improvement of line	139,286.68	
Right of way and perfection of title.....	5,823.44	
Double tracking between Ste. Annes and Montreal Junction	233,290.31	
	447,265.59	
Less sales of Real Estate, Montreal and Toronto	43,226.76	
		\$404,038.83

ATLANTIC AND NORTH-WEST RAILWAY:—

Additional sidings, buildings, stations and yards.....	\$35,500.67	
Permanent bridges and improvements of line	65,839.45	
Right of way and perfection of title.....	1,520.90	
Second track—Daly's to Outremont	189.20	
		103,050.22

MONTREAL & WESTERN RAILWAY:—

Additional sidings.....	\$2,332.97	
Account purchase of road	6,477.24	
Expenditure on account of extension.....	2,721.92	
		11,532.13

MANITOBA SOUTH WESTERN COLONIZATION RAILWAY:—

Additional sidings, buildings, stations and yards	\$ 8,335.36	
Improvements of line	21,528.40	
Right of way and perfection of title.....	105.96	
		29,969.72
Carried forward.....		\$548,590.90

LEASED AND ACQUIRED LINES—*Continued.*

<i>Brought Forward</i>		\$548,590.90
NEW BRUNSWICK RAILWAY:—		
Additional sidings, buildings, stations and yards.	29,822.91	
Permanent bridges and improvements of line	26,348.51	
Right of way and perfection of title	1,475.39	
St. John Elevator	68,904.64	
		126,551.45
COLUMBIA AND KOOTENAY RAILWAY:		
Additional sidings, buildings, stations and yards	5,380.62	
Improvements of line	2,005.81	
Right of way and perfection of title	298.04	
Slocan Lake Branch	277.05	
		7,961.52
Total Leased and Acquired Lines		\$683,103.87

SCHEDULE "H".

DETAILS OF BALANCE SHEET ITEM.

LAND GRANT.

4,228,443 acres sold, amounting to.....	\$13,697,269.88	
6,793,014 acres taken by Dominion Government	10,189,521.00	
		\$23,886,790.88
LESS:—Expenses, cultivation rebate, and 10 p.c. on Land Grant Bonds retired and cancelled.....	2,998,631.52	
		\$20,888,159.36
ADD:—Proceeds Col. & Koot. Ry. Land Sales.....	1,805.45	
Proceeds M. S. W. C. Ry. Land Sales..	70,195.93	
		<u>\$20 960,250.74</u>

RECEIPTS AND EXPENDITURES 1899.

Cash in hand December 31st, 1898..... \$4,147,228.80

RECEIPTS.

Surplus revenue, as per statement.....\$6,563,687.70

Land Department.

Net proceeds of sales.....	\$1,203,698.02	
Less amount's remaining in Deferred Payments	1,044,410.76	
	<u>\$ 159,287.26</u>	
Collection of Deferred Pay- ments of previous years on lands and town sites..	241,320.99	
	<u>400,608.25</u>	

Bonuses.

Dominion Government sub- sidy on Crow's Nest Pass Extension.....	\$340,060.00	
Provincial Government, subsidy on Stonewall and Sauris Branch Extensions.	59,780.00	
Town of Calgary, Improve- ments at that place.....	<u>25,000.00</u>	
		424,840.00
Amount received from sale of Aylmer Branch, as approved at annual meet- ing of shareholders		100,000.00
British Columbia Lake and River Steam- ships—sale of steamboat, less amounts expended in completion of additional steamboats.....		1,620.95
Amount received from Minneapolis, St. Paul & Sault Ste. Marie Ry. Co. in payment of advances on Car Trusts, etc		467,817.89
Amount of advances repaid by the Columbia and Western Ry. from pro- ceeds of Bonds		2,320,470.16
Amount received from Minneapolis, St. Paul & Sault Ste. Marie Ry., Income Certificates paid.....	<u>270,000.00</u>	
		\$10,549,044.95
Carried forward....		\$14,696,273.75

Brought forward.....\$14,696,273.75

Consolidated Debenture Stock.

Amount realized from issued
of £1,268,880 for acquiring
guaranteed securities and for
paying balance due on Can-
ada Central Ry. First Mort-
gage Bonds.....\$6,662,028.18

Four per cent. Preference Stock.

Amount realized from issue of
£1,200,000 sold to meet
Capital Expenditure 5,502,566.15

Amount received in trust for
Minn. St. P. & S. S. M. Ry.
from proceeds 2nd Mortgage
Bonds..... 1,359,629.12————— 13,524,223.45

\$28,220,497.20

Deduct Increase in Accounts Receivable.

Stations and traffic balances and accounts
receivable\$4,409,003.17

Miscellaneous securities and advances 1,272,477.44

Due from Imperial and Dominion Govern-
ments.... 232,746.34

\$5,914,226.95

Less, amounts at December
31st, 1898 5,823,844.87

Deduct amount of M. St. P. &
S. Ste. M. Ry. Income Cer-
tificates reported in receipts. 270,000.00

\$5,553,844.87

\$ 360,382.08

\$27,860,115.12

EXPENDITURES.Dividends on Preference Stock.

2 per cent. paid April 1st, 1899.....	\$ 237,162.50
2 per cent. paid October 1st, 1899.....	419,020.00
	\$ 656,182.50

Dividends on Ordinary Stock.

2 per cent. paid April 1st, 1899	\$1,300,000.00
2 per cent. paid October 1st, 1899.....	1,300,000.00
	2,600,000.00

Real estate, hotels and buildings, held by trustees	27,090.56
Construction acquired and branch lines.....	2,143,289.86
(Schedule E)	
Additions and improvements main line and branches.....	1,900,213.65
(Schedule F)	
Additions and improvements leased lines.....	683,103.87
(Schedule G)	
Rolling stock, shops and machinery	2,434,652.38
Canada Central Ry. First Mortgage Bonds, amount paid to retire outstanding Bonds.....	922,889.41
Land Grant Bonds, amount paid in redemption of \$155,000 bonds.....	170,500.00

Guaranteed Securities acquired by sale of 4%Debenture Stock.

Minneapolis, St. Paul & Sault Ste. Marie Ry., 4% Consolidated Bonds, \$314,000.....	\$ 282,193.24
Columbia & Western Ry., 5 per cent. First Mortgage Bonds, \$5,477,500, amount paid on account.....	5,067,828.62
	5,350,021.86
Increase in material and stores on hand.....	58,625.34
Decrease in current liabilities.....	9,298.31
	\$16,955,867.74
Cash in hand December 31st, 1899.	10,904,247.38
	\$27,860,115.12

STATEMENT OF EARNINGS FOR THE YEAR 1899.

From Passengers	\$ 7,098,096.70
" Freight	18,738,884.96
" Mails	618,385.19
" Express	663,960.52
" Parlor and Sleeping Cars	441,647.54
" Telegraph, Grain Elevators, and Miscellaneous, including profit on Pacific Steamships	1,669,063.35
	<u>\$29,230,038.26</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR 1899.

Conducting Transportation	\$4,256,097.31
Maintenance of Way and Structures	3,488,253.73
Motive Power	5,286,871.50
Maintenance of Cars	1,295,282.03
Parlor and Sleeping Car Expenses	85,582.18
Expenses of Lake and River Steamers	417,045.72
General Expenses	1,680,932.66
Commercial Telegraph	489,807.64
	<u>\$16,999,872.77</u>

STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1899.

Locomotives	690
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars	627
First class sleeping and dining cars	113
Parlor cars, Official and Paymasters' cars	33
Freight and cattle cars, (all kinds)	19,005
Conductors' vans	362
Board, Tool and Auxiliary Cars and steam shovels	682
<i>Ocean Steamships</i> —Empress of China, Empress of Japan, Empress of India, Athenian, Tartar.	
<i>Lake Steamers</i> —Alberta, Athabasca, Manitoba.	
<i>Ferry Steamers</i> —Ontario, Michigan.	
<i>River Steamers</i> —Ogilvie, Hamlin, McConnell, Schwatka, Dalton, Walsh, Dawson, Kootenay, Rossland, Lytton, Kokanee, Slocan, Illicilliwaet, Aberdeen, Trail, Nelson, Moyie, Minto, Wm. Hunter.	
<i>Tugs</i> —Columbia, Sandon, Ymir.	

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1890 TO 1899, INCLUSIVE.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
Passengers	\$ 4,774,713.76	\$ 5,459,789.46	\$5,556,316.40	\$5,655,204.90	\$ 4,840,412.33	\$ 4,683,137.74	\$ 4,820,143.30	\$ 5,796,115.12	\$6,538,589.58	\$ 7,098,096.70
Freight.....	10,106,644.02	12,665,540.26	13,330,540.19	12,673,075.38	11,445,377.78	11,877,851.95	13,187,560.31	15,257,896.94	16,231,444.93	18,738,884.96
Mails.....	355,038.61	516,098.45	483,922.58	495,134.49	498,129.16	540,116.18	607,543.98	603,210.49	609,974.57	618,385.19
Express	280,258.43	288,633.25	302,259.34	333,975.39	342,472.29	387,605.93	460,201.90	530,749.65	615,631.43	663,960.52
Parlor and Sleep- ing Cars	288,096.76	303,545.09	331,202.73	380,470.10	331,719.69	302,637.63	303,683.48	361,777.38	455,345.07	441,647.54
Telegraph, Grain Elevators & Mis- cellaneous, in- cluding Profits on Pacific Steam- ships	786,767.40	1,007,489.47	1,405,110.53	1,422,457.18	1,294,056.46	1,149,687.44	1,302,458.87	1,499,785.07	1,687,991.55	1,669,063.35
Total	\$16,552,528.98	\$20,241,095.98	\$21,409,351.77	\$20,962,317.44	\$18,752,167.71	\$18,941,036.87	\$20,681,596.84	\$24,049,534.65	\$26,138,977.13	\$29,230,038.26
Expenses	10,252,828.47	12,231,436.11	12,989,004.21	13,220,901.39	12,398,858.63	11,460,085.88	12,574,015.10	13,745,758.76	15,633,605.51	16,999,872.77
Net Earnings	\$ 6,299,700.51	\$8,009,659.87	\$8,420,347.56	\$7,741,416.05	\$6,423,309.08	\$7,480,950.99	\$8,107,581.74	\$10,303,775.89	\$10,475,371.62	\$12,230,165.49

DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

DESCRIPTION.		1897.	1898.	1899.
Flour	Barrels.	2,911,072	3,292,450	4,005,226
Grain	Bushels.	37,756,201	37,443,081	42,763,253
Live Stock	Head.	663,773	715,018	810,559
Lumber	Feet	831,895,383	840,145,338	957,702,349
Firewood	Cords.	185,208	203,336	202,461
Manufactured Articles.	Tons.	1,310,827	1,529,044	1,795,663
All other Articles	Tons.	994,813	1,119,087	1,461,144

FREIGHT TRAFFIC.

	1897.	1898.	1899.
Number of Tons carried	5,174,484	5,582,038	6,620,903
Number of Tons carried one mile.	1,955,911,006	2,142,319,887	2,539,171,900
Earnings per Ton per mile....	0.78 cents.	0.76 cents.	0.74 cents.

PASSENGER TRAFFIC.

	1897.	1898.	1899.
Number of Passengers carried...	3,179,589	3,674,502	3,818,857
Number of Passengers carried one mile	317,997,951	430,493,139	397,411,745
Earnings per Pass. per mile...	1.82 cents.	1.52 cents.	1.79 cents.

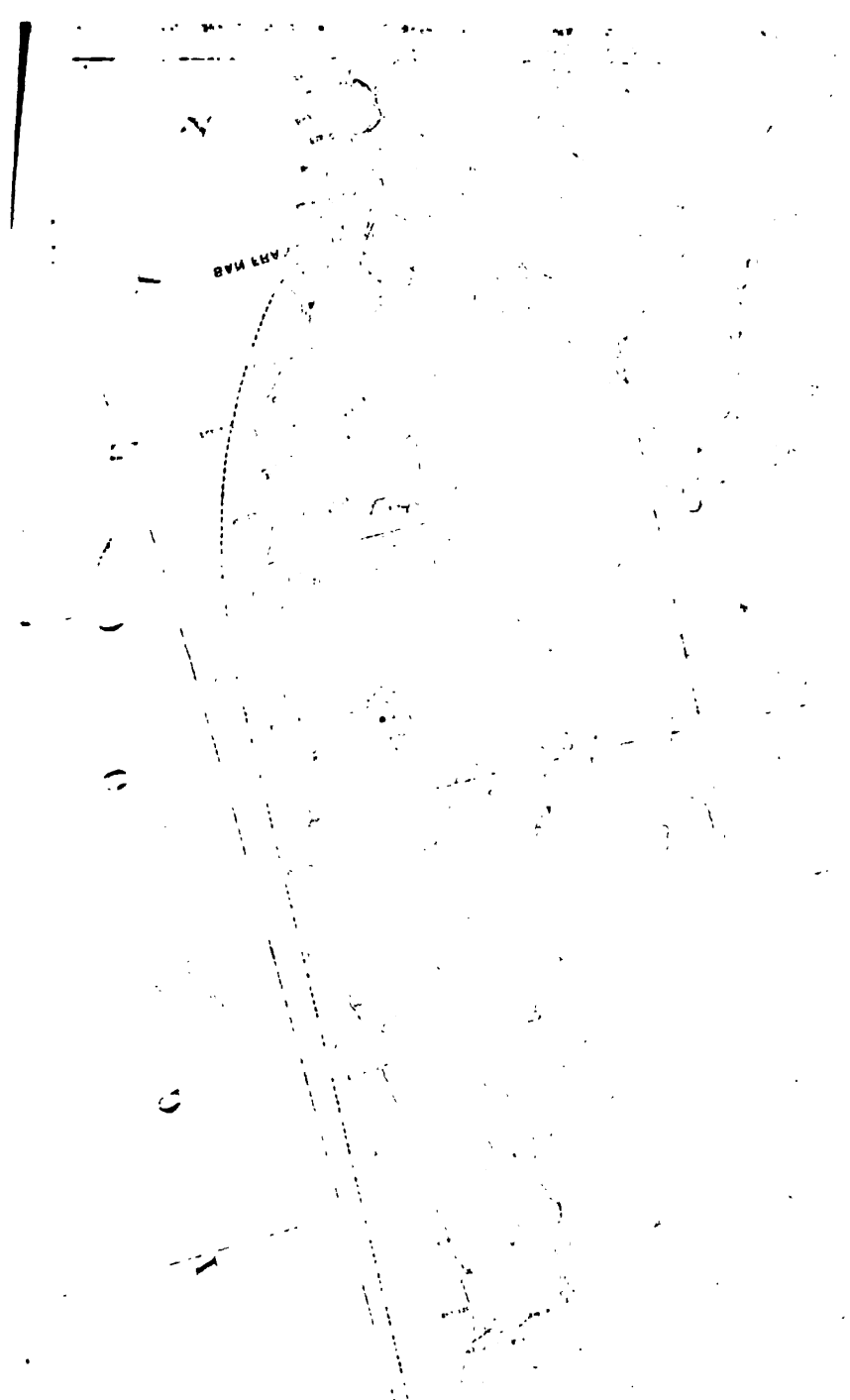
TRAFFIC TRAIN EARNINGS, 1899.

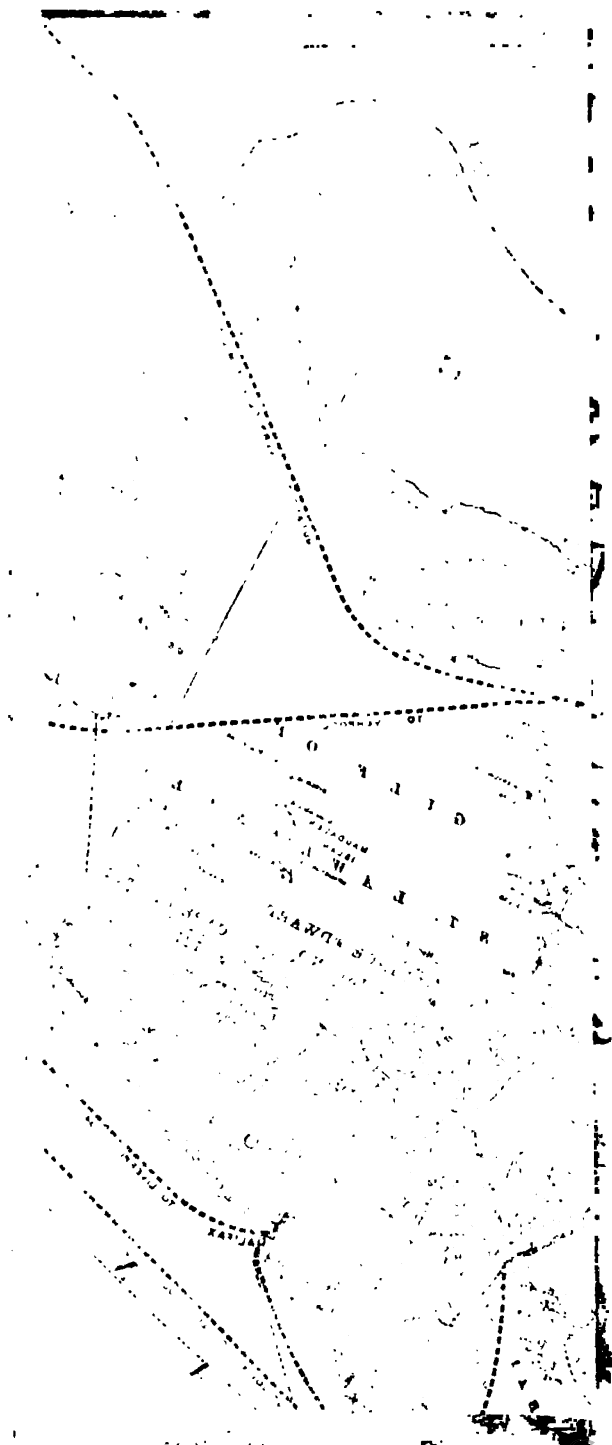
	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	7,441,828	\$ 8,563,341.94	\$ 1.15
Freight.....	10,982,873	18,266,288.06	1.66
Total.....	18,424,701	\$26,829,630.00	\$1.46

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Ocean, Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$1,493,554.90.

EXPENSES PER TRAFFIC TRAIN MILE, 1899.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way and structures.....	\$ 3,488,253.73	0.189
Motive power.....	5,286,871.50	0.287
Maintenance of cars.....	1,295,282.03	0.070
Traffic and general expenses.....	6,022,612.15	0.327
	<u>\$ 16,093,019.41</u>	<u>0.873</u>





H/15/01

REPORT OF THE PROCEEDINGS

AT THE

NINETEENTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, APRIL 4TH, 1900

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE NINETEENTH ANNUAL MEETING OF THE SHAREHOLDERS,
HELD ON WEDNESDAY, 4TH APRIL, 1900.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman, Sir Wm. C. Van Horne, K.C.M.G., presided, and the Secretary of the Company acted as secretary of the meeting.

The notice calling the meeting having been taken as read, the President, Thomas G. Shaughnessy, Esq., in moving the adoption of the Report on the affairs of the Company for the year ended 31st December, 1899, which had been previously mailed to the shareholders, said :

“ It is very gratifying to be able to congratulate the Shareholders on the excellent results from the operation of the railway during the past year, and upon the prospects of continued prosperity.

While, of course, the progress of the agricultural and mining interests tributary to your lines is most marked, the large improvement in your revenue is largely due to the growth of traffic in every section of the Dominion.

The Government reports indicate that in Manitoba and the North-West Territories there will be under crop this season about one-half million acres of land in excess of 1899, so that with favorable weather conditions the tonnage to be carried by the railway after the next harvest should be very substantially increased.

You will have observed that the rate per ton mile received by your Company for the carriage of freight is still further reduced, and is lower than that received by any company in the United States similarly situated. In view of the remoteness from Eastern markets of producers on some sections of your system, it has been the settled policy of your Directors to reduce rates as circumstances might warrant, in order to encourage the maximum development of every section of the country, with the purpose of securing increased revenue from the growth of tonnage rather than the maintenance of high rates. The long distances that you are enabled to haul traffic, because of the situation of your railway, and economy in the working of your lines, are, of course, important factors in the successful carrying out of this policy.

Apart from some short branch lines that are required to serve growing communities in Manitoba and the North-West Territories, the Directors do not at present contemplate any construction work involving an important expenditure of capital. The present earnings of the two railway lines, the leasing of which you will be asked to approve at this meeting, are already sufficient to meet any interest liability that may be involved, and the contributed traffic to the main line will be permanently secured.

Another gratifying feature of the Company's affairs is the fact that during the past year there has been an addition of one hundred and fifty per cent. to the list of Shareholders of record in Canada, and the number is still increasing.

The return to the basis of five per cent. dividends on your common shares is assurance of the conviction of your Directors that in the absence of unforeseen commercial disaster no lower standard will be necessary."

And the Report having been considered, it was moved by Thomas G. Shaughnessy, Esq., President, seconded by Richard B. Angus, Esq., and unanimously resolved: That the Report on the affairs of the Company for the year ended 31st December, 1899, now submitted, be adopted.

The President submitted for approval and explained a draft of a proposed lease from the Great North-West Central Railway Company to this Company of its property and franchises, referred to in the Annual Report, and it was moved by Henry Beatty, Esq., seconded by John Morrison, Esq., and unanimously

Resolved,

That the lease from the Great North-West Central Railway Company to this Company, of which a draft is submitted to this meeting and endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which lease, amongst other things, demises to this Company in perpetuity all the railway lines, including branches, which the Great North-West Central Railway Company has been empowered by law to construct and operate, and the appurtenances thereof, this Company paying by way of rental the interest on bonds which the Lessor Company may issue to the extent of \$875,000, carrying interest at 5 per cent. per annum, and on such additional bonds, if any, as the Lessor Company may issue with the consent of this Company, the Canadian Pacific Railway Company being entitled also to the net proceeds of all

lands which the Lessor Company is now or may at any time hereafter be entitled to by way of subsidy from the Dominion of Canada, with such qualifications, terms and conditions and such further provisions as are therein more particularly set forth ; and the Directors are hereby authorized to cause the said lease to be executed under the corporate seal of the Company and the signatures of such of its officials as they may direct, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The President submitted for approval and explained a draft of a proposed lease from the Manitoba and North-Western Railway Company to this Company of its property and franchises, and including a sub-lease of the Saskatchewan and Western Railway, now under lease to the first named Company, and it was moved by the Hon. Donald MacInnes, seconded by George Olds, Esq., and unanimously

Resolved,

That the indenture of lease and sub-lease from the Manitoba and North-Western Railway Company of Canada as lessor to this Company, of which a draft is submitted to this meeting and endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which indenture, amongst other things, demises to this Company, for the term of nine hundred and ninety-nine years, all the railway lines, including branches, which the Manitoba and North-Western Railway Company of Canada has been empowered by law to construct and operate, and the appurtenances thereof, and also sublets to this Company the Saskatchewan and Western Railway, now under lease for ninety-nine years to the said Manitoba and North-Western Railway Company,

this Company paying by way of annual rental for the Saskatchewan and Western Railway the sum of two thousand two hundred and twenty pounds sterling, and also for the Manitoba and North-Western Railways the sum of twenty-four thousand two hundred and eighty pounds sterling, and such additional sum, if any, as may be necessary to satisfy the interest on any bonds or other pecuniary obligation which the Lessor Company may issue with the consent of this Company, with such qualifications, terms and conditions, and such further provisions as are in the said indenture more particularly set forth, the Saskatchewan and Western Railway Company being a party thereto and confirming the said sub-lease, and the Directors of this Company are hereby authorized to cause the said indenture to be executed under the corporate seal of the Company, and the signatures of such of its officials as they may direct, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the construction of branch lines in Manitoba and British Columbia and the issue of securities in respect thereof was read, and on motion of Charles R. Hosmer, Esq., seconded by the Hon. L. J. Forget, the same was unanimously adopted, viz. :

Whereas, at the present Session both Houses of the Parliament of Canada have passed an Act which authorizes the Company to construct, acquire and operate, and to issue securities in respect of certain branch lines of railway therein specified and amongst them the following, that is to say :—

The Wascada Branch ; the Snowflake Branch ; the McGregor-Varcoe Branch ; the Lac du Bonnet Branch ; a branch from West Selkirk to a point on Lake Winnipeg ; and the New Westminster and Vancouver Branch, as in the said Act more particularly described ;

And whereas, it is desirable to provide for the completion, to the extent hereinafter mentioned, of the said last mentioned lines, that is to say :

The Wascada Branch for a distance of	18 miles.
The Snowflake Branch for a distance of	16 "
The McGregor-Varcoe Branch for a distance of	56 "
The Lac du Bonnet Branch for a distance of	24 "
The West Selkirk & Lake Winnipeg Branch for a distance of	24 "
The New Westminster & Vancouver Branch for a distance of	12 "

Total..... 150 miles.

*And whereas, the said Act provides that in aid of the construction and equipment, amongst others, of the said railways above designated, the Company may issue (in lieu of bonds as therein mentioned) Consolidated Debenture Stock, conferring on its holders equal rights in all respects and a rank *pari passu* with holders of such Consolidated Debenture Stock as the Company has been heretofore authorized to issue; provided, that such Consolidated Debenture Stock shall not exceed \$20,000 per mile thereof ;*

Therefore, the Shareholders do hereby resolve,

That, for the purpose of aiding the construction and equipment of the said last mentioned lines of railway to the extent above stated, the Directors may, as soon as they think fit after the said Act receives the Royal assent, issue and dispose of Consolidated Debenture Stock of the Company as aforesaid to such amounts as they deem expedient, not exceeding in the aggregate an amount equal to \$15,000 per mile thereof, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. per annum, payable at the times and places and in the same manner as on the stock heretofore issued.

The following resolution relating to expenditures on Capital Account during the past year, in addition to the amount authorized by the shareholders; and to further expenditures on that account, was explained by the President,

and it was moved by Sir Sandford Fleming, K.C.M.G., seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved,

That in accordance with the recommendation of the Directors, the Shareholders do hereby approve, ratify and confirm the expenditure on Capital Account during the year 1899 for rolling stock in addition to the amount authorized by the Shareholders at the last annual meeting, as explained in the Annual Report, and amounting to \$1,070,315.86; and

That the Shareholders do hereby authorize the further expenditure on Capital Account as recommended by the Board of Directors, as follows:—

For additional station and terminal facilities at Montreal and Winnipeg.....	\$ 750,000
For wharves and other terminal works at Vancouver.....	98,817
For improvements to permanent way	978,744
For increased yard and other facilities at various points on the system	461,928
For additional rolling stock	975,000
	\$3,264,489

The following By-laws, passed by the Board of Directors, were submitted for approval, viz.:—

BY-LAW No. 77.

Respecting the Office of Chairman of the Board.

The Canadian Pacific Railway Company doth hereby enact:—

That there be, and there is hereby created, an office of the Company to be known as "The Chairman of the Board," and that the Directors may appoint one of themselves to the office of Chairman of the Board, who shall, *ex-officio*, be one of the Executive Committee of the Board of Directors, and shall, when present, preside at the meetings of Shareholders,

Directors and Executive Committee, the said office of Chairman of the Board and the office of President of the Company not to be held at any time by the same Director.

Dated this 12th day of June, 1899.

BY-LAW No. 78.

Providing for verbal amendments to the existing By-Laws of the Company, rendered necessary by the creation of the Office of Chairman of the Board, as therein described.

BY-LAW No. 79.

The Canadian Pacific Railway Company hereby enacts :

That the President or Executive Committee may appoint a person to the Office of Assistant Secretary of the Company who shall fulfil such of the duties of the office of Secretary as the President or Secretary may from time to time direct.

Dated this 14th day of August, 1899.

BY-LAW No. 80.

Establishing the tariff of tolls for the transportation of passengers and goods on the Company's Line between Lethbridge, in the Territory of Alberta, and Nelson in the Province of British Columbia, and the branch lines therefrom, or on the Company's steamers over any portion of the said distance.

BY-LAW No. 81.

Respecting the election of Chairman, President and Vice-Presidents.

The Canadian Pacific Railway Company doth hereby enact :

That all that part of its By-Law No. 5, as amended by By-Law No. 78, after the word "charter" be and it is hereby repealed.

At the first meeting of the Board of Directors after each election, they

shall elect from their own number a Chairman of the Board, a President and a Vice-President for the ensuing year. The Board may also appoint two or more additional Vice-Presidents to be called Second Vice-President, Third Vice-President and so on, no one of whom need necessarily be a member of the Board of Directors.

Dated this 12th day of February, 1900.

Whereupon it was moved by James Ross, Esq., seconded by the Hon. George A. Drummond, and unanimously

Resolved,

That By-Laws Nos. 77, 78, 79, 80 and 81 now submitted be and the same are hereby approved and adopted.

A By-law changing the time for holding the annual meeting of Shareholders was submitted, and it was moved by Jesse Joseph, Esq., seconded by the Hon. J. K. Ward, and unanimously

Resolved,

That By-law No. 82, changing the time for holding the annual meeting of Shareholders be and the same is hereby enacted and passed in the words and figures following, that is to say:—

BY-LAW No. 82.

Changing the time for holding the Annual Meeting of Shareholders.

Whereas, it is expedient to change the time for holding the Annual General Meeting of Shareholders of the Company as is hereinafter mentioned, and it is provided in the Company's Charter that this may be done by By-law;

Therefore, the Canadian Pacific Railway Company doth hereby enact that after the year 1900 the Annual General Meeting of its Shareholders for the election of Directors and the transaction of business generally shall be held on the first Wednesday of October in each year.

Dated the 4th day of April, 1900.

And it is further Resolved,

That the said By-law shall have affixed thereto the common seal of the Company and be signed by the President.

The following resolution which had been adopted by the Board of Directors was read, viz. :

"The Directors of the Canadian Pacific Railway Company learned with very great regret of the death of their colleague, the Hon. Sir George A. Kirkpatrick, K.C.M.G., which took place at his late residence in Toronto on 13th December last, and desire to record their sense of the great loss sustained by the Company through his decease.

Be it therefore Resolved,

That the members of this Board deeply deplore the loss by death of their late valued and much esteemed colleague, Sir George A. Kirkpatrick, K.C.M.G., and direct that a copy of this resolution be sent to the family of the deceased, with an expression of sympathy and condolence."

Whereupon it was moved by E. B. Osler, Esq., seconded by the Hon. L. J. Forget,

And Resolved,

That the Shareholders concur in the sentiments expressed in the foregoing resolution of the Directors and desire also to place on record an expression of their sympathy with the family of the deceased.

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Thomas G. Shaughnessy, Esq., seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved,

That a ballot be now taken for the election of Directors for the ensuing year, and that Henry Beatty, Esq., and

Charles Meredith, Esq., be appointed Scrutineers to take such ballot.

The ballot having been taken, the Chairman read the report of the Scrutineers, which declared that the under-mentioned gentlemen had been elected by the unanimous vote of the meeting, viz. :

RT. HON. LORD STRATHCONA AND, MOUNT ROYAL.

SIR WILLIAM C. VAN HORNE, K.C.M.G.

MR. THOMAS G. SHAUGHNESSY.

MR. RICHARD B. ANGUS.

MR. EDMUND B. OSLER, M.P.

SIR SANDFORD FLEMING, K.C.M.G.

MR. GEORGE R. HARRIS.

MR. WILMOT D. MATTHEWS.

HON. DONALD MACINNES, SENATOR.

MR. THOMAS SKINNER.

MR. JOHN W. MACKAY.

GEN. SAMUEL THOMAS.

MR. CHARLES R. HOSMER.

And the proceedings terminated.

WM C. VAN HORNE, *Chairman.*

C. DRINKWATER, *Secretary.*

NOTE.—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected Chairman of the Board, and Mr. Thomas G. Shaughnessy President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE :

Sir Wm. C. Van Horne, K.C.M.G., Mr. Thomas G. Shaughnessy,

The Rt. Hon. Lord Strathcona and Mount Royal,

Mr. Richard B. Angus,

Mr. Edmund B. Osler, M.P.

Mr. D. McNicoll was appointed Second Vice-President and General Manager.

REPORT
OF THE
CANADIAN PACIFIC
RAILWAY COMPANY

FOR THE
PERIOD OF EIGHTEEN MONTHS ENDED JUNE 30TH

1901.

MONTREAL, AUGUST, 1901.

REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
PERIOD OF EIGHTEEN MONTHS ENDED JUNE 30TH, 1901.

NOTICE TO SHAREHOLDERS.

The Twentieth Annual Meeting of the Shareholders of this Company for the election of Directors, and the transaction of business generally, will be held on **WEDNESDAY**, the 2nd day of October, next, at the principal office of the Company at Montreal, at twelve o'clock noon.

The meeting will be made special for the purpose of considering, and if deemed advisable, of adopting a resolution authorizing the issue of bonds of the Company under the authority of the Dominion Act, 52 Victoria, Chapter 73, to an amount not exceeding four hundred and eighty thousand pounds sterling to aid in the acquisition of steam vessels and their equipment, and for securing such issue according to the provisions of the said Act.

The Common Stock transfer books will close in London at 3 p.m. on Friday, 23rd August, and in Montreal and New York on Friday, 6th September.

The Preference Stock books will close at 3 p.m. on Monday, 2nd September. All books will be reopened on Thursday, 3rd October.

By order of the Board,

CHARLES DRINKWATER,

Secretary.

Montreal, 12th August, 1901.

BOARD OF DIRECTORS.

RT. HON. LORD STRATHCONA AND MOUNT ROYAL,	MONTREAL.
SIR WM. C. VAN HORNE, K. C. M. G.,	do.
MR. RICHARD B. ANGUS,	do.
“ T. G. SHAUGHNESSY,	do.
“ EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	BOSTON.
“ WILMOT D. MATTHEWS,	TORONTO.
MR. THOMAS SKINNER,	LONDON.
GEN. SAMUEL THOMAS,	NEW YORK.
MR. JOHN W. MACKAY,	do.
“ CHARLES R. HOSMER,	MONTREAL.

OFFICERS.

SIR WM. C. VAN HORNE, K. C. M. G.,	<i>Chairman,</i>	MONTREAL.
MR. T. G. SHAUGHNESSY,	<i>President,</i>	do.
“ D. McNICOLL,	<i>2nd Vice-President and General Manager,</i>	do.
“ CHAS. DRINKWATER,	<i>Secretary, { and Asst. to the } President - }</i>	do.
“ A. R. CREELMAN, K.C.,	<i>Chief Solicitor,</i>	do.
“ I. G. OGDEN,	<i>Comptroller,</i>	do.
“ W. SUTHERLAND TAYLOR,	<i>Treasurer,</i>	do.
“ THOS TAIT,	<i>Manager of Transportation,</i>	do.
“ ROBT KERR,	<i>Passenger Traffic Manager,</i>	do.
“ GEO. M. BOSWORTH,	<i>Freight Traffic Manager,</i>	do.
“ P. A. PETERSON,	<i>Chief Engineer,</i>	do.
“ W. WHYTE,	<i>Asst. to the President,</i>	WINNIPEG.
“ W. R. BAKER,	<i>Asst. to 2nd Vice-President,</i>	MONTREAL.
“ C. W. SPENCER,	<i>Gen. Supt. Eastern Division,</i>	do.
“ R. MARPOLE,	<i>Gen. Supt. Pacific Division,</i>	VANCOUVER.
“ J. W. LEONARD,	<i>Gen. Supt. Western Division,</i>	WINNIPEG.
“ H. P. TIMMERMAN,	<i>Gen. Supt. Ontario Division,</i>	TORONTO.
“ JAMES OBORNE,	<i>Gen. Supt. Atlantic Division,</i>	ST. JOHN, N.B.
“ T. WILLIAMS,	<i>Gen. Supt. Lake Superior Division</i>	NORTH BAY.
“ JAS. KENT,	<i>Manager of Telegraphs,</i>	MONTREAL.
“ F. T. GRIFFIN,	<i>Land Commissioner,</i>	WINNIPEG.
“ HARRY MOODY,	<i>{ Deputy Secretary and Registrar of Transfers, 1 Queen Victoria St., London, E.C.</i>	
“ ARCHER BAKER,	<i>{ European Traffic Manager, 67 and 68 King William Street,</i>	do.

Agents of the Bank of Montreal, *Transfer Agents*, 59 Wall St., NEW YORK.
 Montreal Transfer Office. - - - Office of the Secretary, Montreal.

EXECUTIVE COMMITTEE.

SIR WM. C. VAN HORNE, K. C. M. G.,	MR. T. G. SHAUGHNESSY.
RT. HON. LORD STRATHCONA AND MOUNT ROYAL.	
MR. RICHARD B. ANGUS,	MR. EDMUND B. OSLER, M.P.
GENERAL OFFICES,	MONTREAL.

CANADIAN PACIFIC RAILWAY COMPANY

TWENTIETH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY

COVERING THE PERIOD OF EIGHTEEN MONTHS

ENDED JUNE 30TH. 1901.

To the Shareholders.

Pursuant to the action of the shareholders at the last general meeting, changing the fiscal year to end June 30th instead of December 31st, the following report and statements are made to cover a period of a year and a half, excepting that the results of the Company's operations are given in two separate statements, next following, one covering the first half of the calendar year 1900, previously published, and the other the fiscal year ended June 30, 1901.

The result of the Company's operations during the six months ended June 30th, 1900, was as follows:—

The gross earnings were.....	\$14,167,797.89
The working expenses were.....	8,889,851.06

And the net earnings were.....	\$ 5,277,946.83
--------------------------------	-----------------

Add interest earned on deposits and loans....\$157,651.78

Add interest due from Duluth,
South Shore & Atlantic
Ry. Co. on Consolidated
bonds held by your Com-
pany against Debenture
Stock issued..... \$302,140.00

Less advanced by your Com-
pany..... 167,140.00

135,000.00

Add interest from Minn-
neapolis, St. Paul & Sault
Ste. Marie Ry. Co. on
bonds held by your Com-
pany against Debenture
Stock issued..... 79,860.00

Add amount repaid by Minn-
neapolis, St. Paul & Sault
Ste. Marie Ry. Co. being
balance in full of interest
advanced.....

638,846.89

1,011,358.67

Carried forward....\$ 6,289,305.50

Brought forward.....	\$ 6,289,305.50
<i>Deduct</i> Fixed Charges accrued during the six months, including interest on Land Bonds.....	3,434,244.67
The surplus for the six months was.....	\$ 2,855,060.83
From this there has been charged off the half yearly dividend on Preference Stock;—	
2 per cent. paid 1st October, 1900.....	\$ 590,086.67
And half yearly dividend on Ordinary Stock;—	
2½ per cent. paid 1st October, 1900.....	1,625,000.00
	<u>2,224,086.67</u>
Leaving balance	<u>\$ 630,974.16</u>

The result of the Company's operations during the fiscal year ended June 30th, 1901, was as follows:—

The gross earnings, were	30,855,203.55
The working expenses were.....	<u>18,745,828.20</u>
And the net earnings were	\$12,109,375.35
Add interest earned on deposits and loans....	\$336,705.25
Add interest due from Duluth, South Shore & Atlantic Ry., on Consolidated bonds held by your Company against Debenture Stock issued.....	\$604,280.00
Less advanced by your Company.....	<u>167,280.00</u>
	437,000.00
Add interest from Minneapolis, St. Paul & Sault Ste. Marie Ry., Co., on bonds held by your Company against Debenture Stock issued.....	159,720.00
	<u>933,425.25</u>
	\$13,042,800.60
<i>Deduct</i> Fixed Charges accrued during the year including interest on Land Bonds.....	<u>7,305,835.49</u>
The surplus for the year was	\$ 5,736,965.11
Deduct amount applied against cost of steamships,	<u>150,000.00</u>
Carried forward.....	\$5,586,965.11

Brought forward... .. \$5,586,965.11

From this there has been charged off the half
yearly dividend on Preference Stock of 2
per cent. payable 1st April, 1901..... \$ 599,086.67
And half-yearly dividend on Ordinary Stock,
2½ per cent., payable 1st April, 1901..... 1,625,000.00 2,224,086.67
\$3,362,878.44

From this there has been declared a second
half-yearly dividend on Preference Stock,
2 per cent. payable 1st October, 1901..... 623,420.00
And a second half-yearly dividend on Ordinary
Stock, 2½ per cent., payable 1st
October, 1901..... 1,625,000.00

2. The working expenses for the year amounted to 60.75 per cent. of the gross earnings, and the net earnings to 39.25 per cent., as compared with 58.16 and 41.84 per cent. respectively in 1899.

3. The earnings per passenger per mile were 1.93 cents and per ton of freight per mile 0.79, as against 1.79 and 0.74 cents respectively in 1899.

4. Four per cent. Consolidated Debenture stock to the amount of eight hundred and thirty thousand pounds (£830,000) was created and sold for the purpose of acquiring the securities of the Manitoba & Northwestern Railway Company, with its leased line, the Saskatchewan & Western Railway, and of the Great Northwest Central Railway Company, on which your Company had undertaken to pay interest by way of rental, in accordance with the terms of the leases of those lines approved by the shareholders at their last meeting.

5. Four per cent. Consolidated Debenture stock to the amount of four hundred and thirty thousand pounds (£430,000) was created and sold to provide for the construction and equipment of Branch Lines constructed under authority given by the shareholders.

6. Four per cent. Preference Stock to the amount of nine hundred thousand pounds (£900,000) has been issued and sold, to provide for additions and improvements to the property authorized by the shareholders.

7. Since the last Annual Meeting, a further amount of four hundred and twenty-eight thousand five hundred dollars, (\$428,500.00) of the 5 per cent. Land Grant Bonds has been redeemed and cancelled.

8. Another section of the British Columbia Southern Railway, between Nelson and Balfour, a distance of 21 miles, was completed last year. You will be asked to approve a lease by your Company of this section, and of the sections of the Railway previously completed but not included in the original lease.

9. You will also be asked to approve the lease by your Company of the Kootenay & Arrowhead Railway referred to in the last Annual Report.

10. Under an agreement made by your Directors with the Government of Manitoba, in relation to the construction of certain Branch Lines within the Province, and involving the payment to this Company of a cash bonus of seventy thousand dollars (\$70,000) your Directors have undertaken that the Company will construct, or cause to be constructed, a branch line from Forest, on the Great Northwest Central Railway, westerly 42 miles; an extension of the Waskada Branch, 19 miles; an extension of the Snowflake Branch, 9 miles; and an extension of the McGregor-Varcoe Branch, 7 miles.

11. For the purpose of serving a section of country between Vancouver and the south arm of the Fraser River, in British Columbia, and of securing more direct connection with the fish canneries at the latter point, a line, about sixteen miles long, has been commenced and will be completed during the current year. This line is being built under the charter of the Vancouver and Lulu Island Railway Company, and a lease from that Company to your Company of the property will be submitted for your approval.

12. An agreement between your Company, the Duluth South Shore and Atlantic Railway Company, and the Mineral Range Railroad Company, whereby in consideration of certain traffic arrangements your Company undertakes to guarantee interest at the rate of 4 per cent. per annum on \$1,254,000 bonds of the Mineral Range Railroad Company, will be submitted for your approval. Your Directors are of opinion that the arrangement will be of substantial advantage to your Company, as well as to the Duluth South Shore and Atlantic Railway Company.

13 In accordance with the terms of the traffic contract between your Company and the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, your Company endorsed its guarantee of interest at 4 per cent. per annum on bonds of that Company to the amount of one million one hundred and forty-one thousand dollars (\$1,141,000.00), representing additional mileage constructed.

14. In view of the rapidly increasing development of trade on the Pacific Coast, and the desirability of securing as much of that trade as possible for the Company's lines, your Directors considered it advisable that a suitable line of coasting steamers should be provided by the Company, and as the steamers and other property and franchises of the Canadian Pacific Navigation Company, actively

engaged in the business and with established trade relations, could be secured on terms that appeared to be advantageous, it was deemed desirable to acquire the same, at an expense of five hundred and thirty-one thousand dollars, (\$531,000.00). Since the purchase was made, another steamer has been added to the fleet at an expense of one hundred and seventy-five thousand dollars (\$175,000.00). Before next season, it may be necessary to provide one more steamer for the northern or Yukon trade, and one for the route between Vancouver and Victoria.

The growth of the Company's traffic on the Pacific Ocean suggests the importance of providing at an early date an additional steamship, somewhat larger and faster than the present Pacific Steamships of the Company.

In order to provide for these expenditures, you will be asked to authorize the issue of Steamship Bonds to the amount of four hundred and eighty thousand pounds (£480,000.) sterling.

15. The contract between the Imperial Government and the Company for the transportation of His Majesty's mails to and from China and Japan, which expired in April last, has been renewed for a further period of five years on practically the same terms and conditions.

Your Directors much regret to have to report the death in December last of the Honorable Donald MacInnes, Senator, one of their colleagues, and one of the oldest members of the Board, having been elected to the position in August, 1888.

For the Directors,

T. G. SHAUGHNESSY,

President.

MONTREAL, August 20th, 1901.

APPENDIX.

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FIXED CHARGES FOR YEAR ENDED JUNE 30TH, 1901.

£7,191,500	1st Mortgage Bonds 5 p.c.	\$1,749,931.66
\$ 7,000,000	Province of Quebec, $4\frac{1}{2}$ p.c.	283,500.00
£1,100	North Shore 1st Mortgage 5 p.c. :—	267.66
£200,000	Canada Central 2nd Mortgage 6 p.c.	58,400.00
£200,000	St. Lawrence and Ottawa 4 p.c.	38,933.34
\$ 2,544,000	Man. South Western Colonization Ry.	
	1st Mortgage 5 p.c.	127,200.00
	Toronto, Grey and Bruce Rental.	140,000.00
£4,007,381 15s. 5d.	Ontario and Quebec Debenture Stock	
	5 p.c.	975,129.56
\$ 2,000,000	Ontario and Quebec (ordinary) 6 p.c.	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage, less Government proportion....	136,333.34
	Algoma Branch 5 p.c.	182,500.00
	Rental, Farnham to Brigham Jet.	1,400.00
£750,000	Rental Mattawamkeag to Vanceboro.	23,800.00
	Rental New Brunswick Railway system.	372,829.74
	Rental of Terminals at Toronto.	34,633.04
	Rental of Terminals at Hamilton.	32,604.24
	Rental Hamilton Junction to Toronto. .	40,000.00
	Rental St. Stephen and Milltown Ry. .	2,050.00
	Interest on Montreal and Western Ry. purchase.	20,876.62
	Interest on equipment leases.	106,083.47

4% DEBENTURE STOCK.

Issue for general purposes.	£3,933,748		
Issue for China & Japan Steamers.	720,000		
Issue for Souris Branch.	1,004,000		
Issue for Branch lines.	430,000		
Issue to retire Canada Central 1st Mortgage Bonds.	250,000		
	£6,337,748	\$1,233,745.94	
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C.P.Ry. :—			
1 year on.	£5,236,858		
6 mos. on.	300,000	5,536,858	1,048,641.69
			\$2,282,387.63
	£11,874,606		
Interest on amounts for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C.P.Ry., pending issue of Debenture Stock.			119,683.39
Interest on Land Grant Bonds.		669,435.24	
Less: Interest on Deferred Payments on Land Sales and proceeds of Town Sites not covered by mortgage.		212,143.44	457,291.80
			<u>\$7,305,835.49</u>

SCHEDULE "A."

DETAILS OF BALANCE SHEET ITEM

"ACQUIRED SECURITIES HELD AGAINST DEBENTURE
STOCK ISSUED."

Atlantic & North-West Railway, 5 per cent. Guaranteed Stock	\$ 3,240,000.00
Columbia & Kootenay Railway 4 per cent. First Mort- gage Bonds.....	1,277,500.00
Manitoba South Western Colonization Railway, 5 per cent. First Mortgage Bonds.....	72,000.00
North Shore Railway 5 per cent. First Mortgage Bonds...	610,766.67
Duluth, South Shore & Atlantic Railway 4 per cent. Consolidated Mortgage, guaranteed...	15,107,000.00
" Income certificates.....	3,000,000.00
" Preferred Stock (constituting a majority).....	5,100,000.00
" Ordinary Stock (constituting a majority)	6,100,000.00
Minneapolis, St. Paul & Sault Ste. Marie Railway 4 p.c. Consolidated Mortgage, guaranteed...	3,993,000.00
" Preferred Stock (constituting a majority)...	3,533,400.00
" Ordinary Stock (constituting a majority)...	7,066,600.00
Souris Branch, First Mortgage Bonds, £400,000.....	1,946,666.67
Pacific Steamship First Mortgage Bonds, £720,000.	3,504,000.00
Montreal and Ottawa Railway Bonds.....,.....	1,236,250.00
Columbia & Western Railway 5 per cent. First Mort- gage Bonds.....	5,477,500.00
Manitoba & North Western Railway system Securities (cost).	3,312,678.77
Great North-West Central Railway. First Mortgage Bonds.	875,000.00

SCHEDULE "B."

DETAILS OF BALANCE SHEET ITEM.

"OTHER ACQUIRED SECURITIES."

MONTREAL & OTTAWA RAILWAY BONDS.

(Acquired from proceeds of Preference

Stock issued in 1893.) \$400,000.00

ATLANTIC & NORTHWEST RAILWAY BONDS,—

Eganville Branch.

(Acquired from proceeds of Preference

Stock) \$302,400.00
— — — — — \$702,400.00

MONTREAL & ATLANTIC RAILWAY STOCK,

21,600 shares, \$2,160,000.00 (cost) \$1,489,761.94

(Formerly South Eastern Railway.)

\$2,192,161.94

SCHEDULE "C."

DETAILS OF BALANCE SHEET ITEM

" MISCELLANEOUS SECURITIES AND ADVANCES."

CHATEAU FRONTENAC, (QUEBEC HOTEL,) Stock...	\$280,000.00
CANADA NORTHWEST LAND CO., STOCK, (cost).....	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C.N.W. Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.....	97,823.57
(Acquired in 1890, with view to extension of line from Woodstock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY, STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equipment and organization.)	
INSURANCE PREMIUMS PREPAID.....	116,909.12
(On contract to secure advantageous terms.)	
SOUTH ONTARIO PACIFIC RAILWAY STOCK	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK	35,000.00
ONTARIO & QUEBEC RAILWAY STOCK, (cost)	7,650.00
MISCELLANEOUS SECURITIES AND ADVANCES	15,500.00
	<u>\$1,204,719.96</u>

SCHEDULE "D."—LANDS.

SALES—	ACRES.	AMOUNT REALIZED.	AVERAGE PER ACRE.
Canadian Pacific Land Grant.			
Jan. 1st, 1900, to June 30th, 1900	197,321	\$615,966	\$3.12
July 1st, 1900, to June 30th, 1901	340,058	1,047,268	3.08
Year 1899	326,280	1,016,081	3.11
Man. South Western Grant.			
Jan. 1st, 1900, to June 30th, 1900	71,348	244,040	3.42
July 1st, 1900, to June 30th, 1901	59,750	214,956	3.60
Year 1899	90,526	311,586	3.44
Total Sales.			
Jan. 1st, 1900, to June 30th, 1900	268,669	860,006	3.20
July 1st, 1900, to June 30th, 1901	399,808	1,262,224	3.15
Year 1899	416,806	1,327,667	3.19

POSITION OF LAND GRANTS AT JUNE 30TH, 1901.

CANADIAN PACIFIC—	Acres.	Acres.
Original Grant	25,000,000	
Disposed of to the Dominion Government under agreement of March 30th, 1886	6,793,014	
	18,206,986	
Souris Branch Land grants	1,611,520	
	19,818,506	
Sales to June 30th, 1901	4,765,822	
Less cancelled from Jan. 1st, 1900, to June 30th, 1901	19,232	
	4,746,590	

Quantity of land unsold 15,071,916

MANITOBA SOUTH WESTERN—	Acres.	
Total Grant	1,396,800	
Sales to June 30th, 1901	543,704	
Less cancelled from Jan. 1st, 1900, to June 30th, 1901	4,735	
	538,969	
Quantity of land unsold		857,831

COLUMBIA & KOOTENAY—	Acres.	
Total Grant	190,000	
Sales to June 30th, 1901	15,344	
	174,656	
Total land owned by the Company		16,104,403

In addition to the foregoing the Company will receive lands as under:—

- Through the British Columbia Southern Railway about 3,350,000 acres
- Through the Columbia & Western Railway about 2,500,000 acres.
- Through the Great North West Central Railway about 320,000 acres.

SCHEDULE "E."

CONSTRUCTION—ACQUIRED AND BRANCH LINES.

Souris Branch—Pipestone Extension	\$463,400.98
Snowflake Branch	74,518.89
McGregor Branch.....	289,127.85
Waskada Branch	85,834.64
Lac du Bonnet Branch	262,979.21
North Star Branch.....	75,388.16
Lake Temiscamingue Colonization Ry.....	1,028.71
West Selkirk Branch Extension	54,779.06
Stonewall Branch Extension	73,311.97
Dyment Branch.....	57,065.24
Crow's Nest Pass & British Columbia Southern Ry.....	1,003,625.52
Vancouver & New Westminster Ry.....	10,485.70
Surveys projected lines.....	57,582.87
Total.....	<u><u>\$2,509,128.80</u></u>

SCHEDULE "F."

DETAILS OF EXPENDITURE ON ADDITIONS AND

IMPROVEMENTS FROM JANUARY 1ST, 1900,
TO JUNE 30TH, 1901.

MAIN LINE.

QUEBEC TO BONFIELD :

Additional sidings, buildings, stations and yards	\$ 42,369.04	
Permanent bridges and improvements of line	18,298.03	
Right of way (North Shore Ry.)	2,500.00	
Ottawa terminals	68,003.80	
		\$131,170.87

BONFIELD TO PORT ARTHUR :

Additional sidings, buildings, stations and yards	\$ 22,298.88	
Permanent bridges and improvements of line	176,722.49	
Right of way	80.00	
Wharves, docks and warehouses	279.82	
		\$199,381.19

PORT ARTHUR TO LAGGAN :

Additional sidings, buildings, stations and yards	\$245,666.70	
Permanent bridges and improvements of line	378,231.21	
Double track, East of Winnipeg	26,380.59	
Winnipeg terminals	51,019.99	
Right of way	84.65	
Wharves, docks and warehouses	920.50	
		\$702,303.64

Carried forward \$1,032,855.70

Main Line brought forward..... \$1,032,855.70

LAGGAN TO PACIFIC COAST :

Additional sidings, buildings, stations and yards	\$190,355.67	
Permanent bridges and improvements of line.....	529,345.35	
Right of way	663.61	
Wharves, docks and warehouses	100,190.42	
		\$820,555.05
Montreal terminals.		342,863.78
Total Main Line		\$2,196,274.53

BRANCH LINES.

Stobie Branch.....	\$ 370.20
South Western Branch.....	9,589.69
Selkirk Branch	21,229.60
Stonewall Branch.....	2,255.00
Emerson Branch.....	607.00
Revelstoke and Arrow Lake Branch.....	3,221.93
Nakusp and Slocan Branch.....	4,146.25
Mission Branch.....	5,769.29

Souris Branch :

Additional sidings, buildings and stations.....	\$15,866.10	
Improvements of line.....	29,069.68	
Right of way	104.35	
		\$45,040.13

Algoma Branch :

Additional sidings, buildings, stations and yards.....	\$14,877.63	
Permanent bridges and im- provements of line.....	41,291.99	
Sault Ste. Marie Terminals....	36,174.19	
		\$92,343.81
		\$184,572.90
Telegraph extensions and additions.....		32,442.46
Total for improvements, Main Line and Branches....		\$2,413,289.89

SCHEDULE "G."

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES FROM JAN. 1st, 1900, TO JUNE 30th, 1901.

ONTARIO & QUEBEC RAILWAY :—

Additional sidings, buildings, stations and yards.....	\$159,440.35	
Permanent bridges and improvements of line.....	122,542.16	
Right of way.....	5,899.42	
Double tracking between Ste. Annes and Montreal Junction.....	20,338.83	
Real Estate, Montreal and Toronto.....	14,546.98	
	— — — —	\$322,767.74

ATLANTIC AND NORTH-WEST RAILWAY :—

Additional sidings, buildings, stations and yards.....	\$21,201.62	
Permanent bridges and improvements of line.....	76,260.82	
Right of way.....	17,856.10	
	— — — —	115,318.54

NEW BRUNSWICK RAILWAY :—

Additional sidings, buildings, stations and yards.....	\$57,202.68	
Permanent bridges and improvements of line.....	98,930.79	
Right of way.....	1,355.57	
	— — — —	157,489.04

MONTREAL & WESTERN RAILWAY :—

Additional sidings, buildings, stations and yards.....	\$ 2,096.13	
Account purchase of road.....	10,367.56	
Expenditure account of extension.....	738.47	
	— — — —	13,202.16
Carried forward.....		\$608,777.48

LEASED AND ACQUIRED LINES—*Continued.*

Brought forward. \$608,777.48

MANITOBA SOUTH WESTERN COLONIZATION RAILWAY :—

Additional sidings, buildings, stations and yards	\$19,877.74	
Permanent bridges and improvements of line	64,403.17	
Right of way	86.00	
		84,366.91

COLUMBIA AND KOOTENAY RAILWAY :—

Additional sidings, buildings, stations and yards	828.86	
Permanent bridges and improvements of line	51,151.72	
Right of way	10.00	
Slocan Lake Branch	756.33	
		52,746.91

Total Leased and Acquired Lines. \$745,891.30

SCHEDULE "H".

DETAILS OF BALANCE SHEET ITEM.

LAND GRANT.

4,746,590 acres sold, amounting to.....	\$15,327,379.86	
6,793,014 acres disposed of to the Dominion Government in 1886	10,189,521.00	
	<u>\$25,516,900.86</u>	
Less :—Expenses, cultivation rebate, and 10 p.c. on Land Grant Bonds retired and cancelled.....	3,189,248.36	
	<u>\$22,327,652.50</u>	
Add :—Proceeds Columbia and Kootenay Ry. Land Sales	7,884.98	
Proceeds Manitoba South Western Colonization Ry. Land Sales.....	327,583.30	
	<u>327,583.30</u>	
		<u><u>\$22,663,120.78</u></u>

RECEIPTS AND EXPENDITURES JANUARY 1ST, 1900, TO JUNE 30TH, 1901.

Cash in hand December 31st, 1899. \$10,904,247.38

RECEIPTS.

Surplus revenue, as per
statement
June 30th, 1900, 6 months. \$2,855,060.83
June 30th, 1901, 1 year... 5,736,965.11
\$8,592,025.94

Land Department.

Net proceeds of sales..... \$2,004,466.02
Less amounts remaining in
Deferred Payments..... 1,741,356.30
\$ 263,109.72
Collection of Deferred Pay-
ments of previous years
on lands and town sites.. 404,018.39
\$667,128.11

Bonuses.

Amount realized from sale
of bonds of Town of
Selkirk \$ 15,000.00
Dominion Government sub-
sidy on Crow's Nest Pass
Extension..... 205,524.00
Dominion Government sub-
sidy on Souris Branch
Extension. 158,848.00
379,372.00

British Columbia Lake and River Steam-
ers—sale of steamers, less amount
expended in completion of additional
steamers..... 46,570.01

Four per cent. Preference Stock.

Amount realized from issue of £900,000
sold to meet Capital Expenditure.... \$4,208,324.88
Carried forward..... \$13,893,420.94 \$10,904,247.38

Brought forward \$13,893,420.94 \$10,904,247.38
Consolidated Debenture Stock.

Amount realized from issue of
 £ 430,000 for construction branch
 Lines,
 830,000 for acquiring guaranteed
 securities.

£1,260,000.	6,494,472.92	
		20,387,893.86
		<u>\$31,292,141.24</u>

Deduct Increase in Accounts Receivable.

Stations and traffic balances.	4,266,942.27
Advances pending issue of securities	1,135,737.89
Miscellaneous securities and advances ...	1,204,719.96
Due from Imperial and Dominion Govern- ments.	172,361.53

	\$6,779,761.65	
Less, amounts at December 31st, 1899. ...	5,914,226.95	
		865,534.70

EXPENDITURES.

\$30,426,606.54

Dividends on Preference Stock,

2 per cent. paid April 1st, 1900.	\$ 535,820.00	
2 per cent. paid October 1st, 1900.	599,086.67	
2 per cent. paid April 1st, 1901.	599,086.67	
		\$ 1,733,993.34

Dividends on Ordinary Stock,

3 per cent. paid April 1st, 1900.	\$1,950,000.00	
2½ per cent. paid October 1st, 1900.	1,625,000.00	
2½ per cent. paid April 1st, 1901.	1,625,000.00	
		5,200,000.00

Real Estate, hotels and buildings held by Trustees ...	253,784.21
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Construction acquired and branch lines, (Schedule E)	2,509,128.80
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Additions and Improvements, main line and branches, (Schedule F)	2,413,289.89
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Additions and Improvements, leased lines, (Schedule G)	745,891.30
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Rolling Stock, shops and machinery.	1,218,104.76
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Land Grant Bonds,

Amount paid in redemption of \$428,500 Bonds.	471,350.00
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Amount which was held in trust for Minn., St. P. & S. Ste. Marie Ry., repaid to that Company.	1,359,629.12
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Guaranteed Securities acquired by sale of 4 per cent.	
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Debenture Stock.

Manitoba & North Western Railway Sys- tem Securities.	3,312,678.77
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Great North West Central Railway 5 per cent. First Mortgage Bonds.	876,567.31	4,189,246.08
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\$20,094,417.50

Increase in material and stores in hand.	324,877.32
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Decrease in current liabilities.	213,848.82
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\$20,633,143.64

Cash in hand June 30th, 1901.	9,793,462.90
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\$30,426,606.54

**STATEMENT OF EARNINGS FOR THE YEAR ENDING JUNE
30TH, 1901.**

From Passengers.....	\$ 8,083,369.60
“ Freight.....	18,983,185.51
“ Mails.....	651,805.35
“ Express.....	691,208.56
“ Parlor and Sleeping Cars.....	472,181.91
“ Telegraph, Grain Elevators, and Miscellaneous, including profit on Pacific Steamships.....	1,973,452.62
Total.....	<u><u>\$30,855,203.55</u></u>

**STATEMENT OF WORKING EXPENSES FOR THE YEAR
ENDING JUNE 30TH, 1901.**

Conducting Transportation.....	\$4,476,123.74
Maintenance of Way and Structures.....	4,196,188.47
Motive Power.....	5,745,730.55
Maintenance of Cars.....	1,661,225.04
Parlor and Sleeping Car Expenses.....	99,348.26
Expenses of Lake and River Steamers.....	447,249.10
General Expenses.....	1,670,904.35
Commercial Telegraph.....	449,058.69
Total.....	<u><u>\$18,745,828.20</u></u>

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1901.

Locomotives.....	708
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	662
First class sleeping and dining cars.....	115
Parlor cars, Official and Paymasters' cars.....	33
Freight and cattle cars, (all kinds).....	20,083
Conductors' vans.....	363
Board, Tool and Auxiliary Cars and steam shovels.....	886
<i>Ocean Steamships</i> —Empress of China, Empress of Japan, Empress of India, Athenian, Tartar.	
<i>Lake Steamers</i> —Alberta, Athabasca, Manitoba.	
<i>Ferry Steamers</i> —Ontario, Michigan.	
<i>River Steamers</i> —Schwatka, Walsh, Kootenay, Rossland, Lytton, Kokanee, Slocan, Illicilliwaet, Aberdeen, Nelson, Moyie, Minto, Wm. Hunter.	
<i>Tugs</i> —Columbia, Sandon, Ymir, Procter, Valhalla, Denver.	

DESCRIPTION OF FREIGHT CARRIED.

DESCRIPTION.		Year ending Dec. 31st		Year ended June 30, 1901
		1898	1899	
Flour	Barrels.	3,292,450	4,005,226	3,735,873
Grain	Bushels.	37,443,084	42,763,253	32,927,468
Live Stock	Head.	715,018	810,559	945,386
Lumber	Feet.	840,145,338	957,702,349	899,214,646
Firewood	Cords.	203,336	202,461	204,818
Manufactured Articles.	Tons.	1,529,044	1,795,663	1,954,386
All other Articles.....	Tons.	1,119,087	1,461,144	2,206,970

FREIGHT TRAFFIC.

	Year ending Dec. 31st		Year ended June 30, 1901
	1898	1899	
Number of Tons carried.....	5,582,038	6,620,903	7,155,813
Number of Tons carried one mile.....	2,142,319,887	2,539,171,900	2,383,633,945
Earnings per Ton per mile.....	0.76 cents.	0.74 cents.	0.79 cents.

PASSENGER TRAFFIC.

	1898	1899	Year ended June 30, 1901
Number of Passengers carried....	3,674,502	3,818,857	4,337,799
Number of Passengers carried one mile	430,493,139	397,411,745	419,353,393
Earnings per Pass. per mile....	1.52 cents.	1.79 cents.	1.93 cents.

TRAFFIC TRAIN EARNINGS

YEAR ENDED JUNE 30th, 1901.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger	7,765,584	\$ 9,585,693.12	\$ 1.23
Freight.....	10,415,831	18,459,536.26	1.77
Total.....	18,181,415	\$28,045,229.38	\$ 1.54

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Ocean, Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$1,913,666.38.

EXPENSES PER TRAFFIC TRAIN MILE

YEAR ENDED JUNE 30th, 1901.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way and structures.....	\$ 4,196,188.47	0.231
Motive power.....	5,745,730.55	0.316
Maintenance of cars	1,661,225.04	0.091
Traffic and general expenses.....	6,246,376.35	0.344
	<u>\$ 17,849,520.41</u>	<u>0.982</u>

REPORT OF THE PROCEEDINGS

AT THE

TWENTIETH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 2ND, 1901

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTIETH ANNUAL MEETING OF THE SHAREHOLDERS,
HELD AT MONTREAL, ON WEDNESDAY, OCTOBER 2ND, 1901.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman of the Board, Sir Wm. C. Van Horne, K.C.M.G., presided, and the Secretary of the Company acted as secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Sir Thomas G. Shaughnessy, in moving the adoption of the Report on the affairs of the Company for the period of eighteen months ended June 30, 1901, which had been previously mailed to the shareholders, said :

“In moving the adoption of the Annual Report of the Board of Directors, I may be permitted to direct your attention to the excellent result of the operations of the Company during the past fiscal year, notwithstanding the loss of revenue resulting from the serious shrinkage in the grain crops of North-western Canada last autumn, caused by unfavourable weather conditions. The grain tonnage from Manitoba and the North-west Territories was only about one third of that received from the crop of 1899 and, ac-

cording to most authentic reports, less than one fifth of the tonnage available from the crop just harvested.

"A few years ago, such serious injury to these crops would have been almost disastrous in its effect on the Company's revenue, and, therefore, the development of other traffic in sufficient volume to materially reduce the comparative importance of the grain business as a factor in your gross earnings is most gratifying.

"As indicated by the Annual Report, five per cent. Land Grant Bonds, to the amount of \$428,500, were redeemed and cancelled since the last meeting of the shareholders. Your Directors expect to reduce the outstanding bonds by a still larger amount during the current year, the land sales for the past three months being seventy-five per cent. in excess of those for the corresponding period in 1900. None of these sales were in large blocks.

"The desirability of making some provision for the pensioning of faithful officers and employees, who, after a long term of service, become incapacitated for their respective positions by reason of advanced age, has suggested to the Directors the propriety of asking your consent that a sum of money, say \$250,000, be set aside as the nucleus of a pension fund, so soon as your Directors have succeeded in formulating a feasible and satisfactory plan for its administration. It is hoped that this will be accomplished shortly, but the large number of employees, and the varied conditions of service, make it necessary that the details of the scheme should receive the gravest consideration before it is put into operation.

"In this connection, I desire to express for the Directors their hearty appreciation of the zeal and fidelity displayed by the officers and employees in the performance of their respective duties during what has been, in some respects, a most trying year."

The Report having been considered, it was moved by Sir Thomas G. Shaughnessy, seconded by Richard B. Angus, Esq., and unanimously

Resolved,—That the Report on the affairs of the Company for the eighteen months ended June 30th, 1901, now submitted, be and is hereby adopted.

The lease to this Company of the Kootenay and Arrowhead Railway, referred to in the Annual Report, was explained and laid on the table, and it was moved by the Hon. J. K. Ward, seconded by Henry Beatty, Esq., and unanimously

Resolved,—That the lease dated the 15th day of August, 1901, made by the Kootenay and Arrowhead Railway Company, as Lessor, to this Company as Lessee, now submitted to this meeting, be and the same is hereby approved, ratified and confirmed ; which lease amongst other things demises for the term of nine hundred and ninety-nine years the Lessor's Railway, whether constructed or to be constructed, from a point at or near Lardo, near the head of Kootenay Lake, to a point at or near Duncan, and thence in a direction generally north-west to Arrowhead on Arrow Lake, Kootenay District, British Columbia, by a route passing near Trout Lake, and the north side of the east arm of Arrow Lake, together with all branches, etc., (as described in the said lease) at a rental equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum (payable half-yearly), to be issued by the Lessor with the consent of this Company, the aggregate of all such bonds not at any time to exceed a sum equal to the rate of twenty-five thousand dollars per mile of the Lessor's Railway and branches then either constructed or under contract to be constructed.

The lease to this Company of the Vancouver and Lulu Island Railway, referred to in the Annual Report, was

explained and laid on the table, and it was moved by Edmund B. Osler, Esq., M.P., seconded by Charles R. Hosmer, Esq., and unanimously

Resolved,—That the lease dated the 31st day of August, 1901, made by the Vancouver & Lulu Island Railway Company, as Lessor, to this Company, as Lessee, now submitted to this meeting, be and the same is hereby approved, ratified and confirmed; which lease amongst other things demises for the term of nine hundred and ninety-nine years, the Lessor's Railway, whether constructed or to be constructed, from the City of Vancouver, thence in a southerly direction to the North Arm of the Fraser River, thence across the North Arm to Lulu Island, thence in a southerly direction across Lulu Island to the South Arm of the Fraser River; thence to be connected by a steam ferry or otherwise with some point on the south bank of the Fraser River near Ladner's Landing, together with all branches etc (as described in the said lease), at a rental equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum (payable half-yearly), to be issued by the Lessor with the consent of this Company, the aggregate of all such bonds not at any time to exceed a sum equal to the rate of seventeen thousand five hundred dollars per mile of the Lessor's Railway then either constructed or under contract to be constructed.

The lease to this Company of the western section and certain branch lines of the British Columbia Southern Railway, referred to in the Annual Report, was explained and laid on the table, and it was moved by Richard B. Angus, Esq., seconded by Sir Sandford Fleming, K.C.M.G., and unanimously

Resolved,—That the lease dated the first day of October, 1900, made by the British Columbia Southern Railway Company, as Lessor, to the Canadian Pacific Railway

Company as Lessee, sanctioned by the Governor in Council as required by the Statute 60-61 Victoria, Chapter 36, by Order in Council dated the 3rd day of May, 1901, and now submitted to this meeting, be and the same is hereby approved, ratified and confirmed, with all the terms, conditions and covenants therein contained, which lease, amongst other things, demises that portion of the western section of the Lessor's railway therein described, also a railway which the Lessor has been authorized to construct between a point on its railway in the neighborhood of Fort Steele and a point on this Company's railway near Golden, also its Coal Creek Branch and North Star Branch, as well as a branch from a point on its main line near the Forks of Michel Creek to Martin Creek, together with all such branches from any of the above mentioned railways or from its main line, and all such branches from those branches as the Lessor is now or may be hereafter empowered to construct, together with the appurtenances described in the said lease, at the rentals therein stated, such rentals being equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum, payable half yearly, to be issued by the Lessor with the consent of this Company and legally issued in respect thereof, and which lease provides also for certain specified changes in the lease from the Lessor to this Company, dated the first day of January, 1898.

The agreement dated 1st January, 1901, entered into between this Company, the Duluth South Shore & Atlantic Railway Company and the Mineral Range Railroad Company, under authority of the Act 53 Victoria, Chapter 47, entitled, "An Act to amend the Canadian Pacific Railway Act 1889, and for other purposes," referred to in the Annual Report, providing for a permanent traffic arrangement between the said Companies, and containing the

guaranty by this Company of the interest upon First Mortgage Four Per Cent. Bonds issued, and to be issued with the consent of this Company, by the Mineral Range Railroad Company, to the extent and at the times therein set forth, provided that the outstanding unpaid Bonds of the last mentioned Company shall not at any time exceed in the aggregate a sum equal to \$25,000 per mile of its Railways then constructed or under contract to be constructed; and the mortgage securing the same, were submitted and explained, and it was moved by Wilmot D. Matthews, Esq., seconded by George R. Harris, Esq., and unanimously

Resolved,—That the terms of the said agreement be and the same are hereby approved; that the guaranty of the payment of interest upon the said issue of First Mortgage Four Per Cent. Bonds to the amount of One million two hundred and fifty-four thousand dollars, mentioned in the agreement referred to in the preamble hereto, be endorsed upon such Bonds and be executed by the Secretary, and that the form of such guaranty be as follows:—

For value received the Canadian Pacific Railway Company hereby guarantees the punctual payment of the interest on the within Bond at the rate of four per cent. per annum, payable half-yearly at the times and in the manner herein stated.

In Witness Whereof the said Company has caused this guaranty to be duly executed by the Secretary under the authority of a resolution of its Board of Directors approved of at the Shareholders' Meeting held on 2nd October, 1901.

Secretary, Canadian Pacific Railway Co.

The following resolution, authorizing the issue of Four Per Cent. Consolidated Debenture Stock to provide for the construction and equipment of extensions of certain branch lines in Manitoba, was submitted; and on motion of

Eustache H. Lemay, Esq., seconded by Michael Burke, Esq., was unanimously adopted ; that is to say :—

Whereas, by the Act of the Dominion Parliament, 63-64 Vic., cap. 55, authority was conferred upon the Company to construct, acquire and operate certain branch lines of railway therein specified, and to issue, in lieu of bonds, as in the said Act mentioned, in aid of the construction and equipment of the said lines, Consolidated Debenture Stock to an amount not exceeding \$20,000 per mile thereof ;

And whereas, the shareholders, at the last Annual Meeting, in pursuance of the said Act, authorized the issue of Four Per Cent. Consolidated Debenture Stock to the extent of \$15,000 per mile of the following lines :—

Wascada Branch	18 miles
Snowflake Branch	16 “
West Selkirk and Lake Winnipeg Branch.....	24 “
	58 miles

And whereas, the actual length of the said lines now under construction, when completed, will be as follows :—

Wascada Branch	37 miles
Snowflake Branch	25 “
West Selkirk and Lake Winnipeg Branch.....	26 “
	88 miles

or an additional mileage of 30 miles, and it is desirable to provide for a further issue of Consolidated Debenture Stock to cover such additional mileage ;

It is therefore hereby Resolved,—That for the purpose of aiding the construction and equipment of the said additional miles of railway, the Directors may issue and dispose of Consolidated Debenture Stock of the Company to such amounts as they may deem expedient, not exceeding in the aggregate an amount equal to \$15,000 per mile for such additional mileage, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. per

annum, payable at the times and places, and in the same manner as interest is payable on the stock heretofore issued.

The undermentioned By-laws, passed by the Board of Directors since the last Annual Meeting were submitted and laid on the table, viz. :—

By-law No. 83.—Establishing passenger fares on the Crow's Nest Line.

By-law No. 84.—Against riding on platforms or steps of passenger cars.

By-law No. 85.—Repealing By-law No. 27 respecting the Registrar of Transfers of Stock, and enacting that the Secretary shall keep at the Head Office, books of record in which all transfers of shares, stocks and bonds shall be entered.

By-law No. 86.—Establishing the rules governing the Montreal Transfer Office of the Company, the form of the Montreal certificate, etc., and providing for the appointment of a Registrar of Transfers.

By-law No. 87.—Establishing rules and regulations for the guidance of officers and employees in connection with the working of the Company's lines

Whereupon it was moved by George Olds, Esq., seconded by W. F. Tye, Esq., and unanimously

Resolved,—That By-laws Nos. 83, 84, 85, 86 and 87, passed by the Directors since the last General Meeting of Shareholders, be and the same are hereby approved.

A resolution providing for the establishment of a Pension Fund, referred to by the President this day in moving the adoption of the Annual Report, was submitted, and on motion of the Hon. L. J. Forget, seconded by John

Morrison, Esq., the same was unanimously adopted as follows, that is to say :—

Whereas, in the opinion of the shareholders of this Company, it is deemed advisable that some definite provision be made for the relief of employees of the Company who have rendered long and faithful service to the Company, and for the purpose of enabling them to retire when age or bodily infirmity necessitates relief from duty ;

And whereas, the Directors have recommended that for the aforesaid purpose a pension fund be established ;

Now, therefore, it is Resolved, that the Board of Directors be and they hereby are authorized and empowered :—

(a) To set apart from the funds of the Company a sum not exceeding the amount of \$250,000 as a nucleus for a fund to be known as “The Pension Fund” of the Company, to assist in the establishment of a system of pensions payable to such employees ;

(b) To invest and keep the said funds invested for the aforesaid purposes ;

(c) To establish a Department for the administration of such fund, and of any additions that may be made thereto in the future ;

(d) To adopt such rules and regulations as the Board may in its discretion deem necessary or advisable for the organization of such Department and the administration of such fund, and for determining what employees, or class of employees, shall be entitled to participate therein, and the terms and conditions upon which they shall so participate.

The President explained that the scheme contemplated by this resolution did not involve any contribution by the employees.

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Charles R.

Hosmer, Esq., seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved, that a ballot be now taken for the election of Directors for the ensuing year ; that Charles Meredith, Esq., and Wm. R. Miller, Esq., be appointed scrutineers to take such ballot and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time, the Chairman read the report of the scrutineers, which declared that the undermentioned gentlemen had been unanimously elected the Directors of the Company for the ensuing year, viz. :—

The Rt. Hon. Lord Strathcona and Mount Royal
 Sir William C. Van Horne, K.C.M.G.
 Sir Thomas G. Slaughter
 Mr. Richard B. Angus
 Mr. Edmund B. Osler, M.P.
 Mr. Wilmot D. Matthews
 Mr. George R. Harris
 Sir Sandford Fleming, K.C.M.G.
 Mr. Thomas Skinner
 Gen. Samuel Thomas
 Mr. John W. Mackay
 Mr. Charles R. Hosmer

The meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same. The following resolution was submitted, and, on motion of Richard B. Angus, Esq., seconded by Donald Macmaster, Esq., K.C., the same was unanimously adopted, viz. :—

Whereas, in and by an Act of the Parliament of Canada, being 52 Victoria, chapter 73, this Company, being first authorized by a resolution passed at a Special General Meeting of its shareholders duly called for the purpose, is

empowered from time to time to issue bonds in aid of the acquisition of any such steam vessels as, by its charter, it is authorized to acquire, but not exceeding in amount the cost thereof, and to secure the payment of such Bonds by mortgage to Trustees ;

And whereas, in order to provide funds to aid in the acquisition of certain steam vessels, to wit :

1. The steel screw steamship "Charmer," built at San Francisco, California, in 1886—length 200 feet, beam 42 feet, depth 12 feet, and gross tonnage 1,044 tons ;
- (2) the iron screw steamship "Danube," built at Fairfield, Scotland, in 1869—length 215 feet, beam 28 feet, depth 20 feet, gross tonnage 886 tons ;
- (3) the screw steamship "Amur," built at Sunderland in 1890—length 216 feet, beam 28 feet, depth 20 feet, and gross tonnage 907 tons ;
- (4) the screw steel steamship "Tees," built at Thornby-on-Tees in 1893—length 165 feet, beam 26 feet, depth 10 feet, and gross tonnage 569 tons ;
- (5) the wooden side-wheel steamship "Yosemite," built at San Francisco in 1862—length 282 feet, beam 34 feet, depth 13 feet, and gross tonnage 1,525 tons ;
- (6) the wooden side-wheel steamship "Princess Louise," built at New York in 1869—length, 184 feet ; beam, 30 feet ; depth, 13 feet, and gross tonnage 931 tons ;
- (7) the wooden stern-wheel steamship "R. P. Rithet," built at New Westminster in 1882—length, 177 feet ; beam, 33 feet ; depth, 8 feet, and gross tonnage 816 tons ;
- (8) the wooden screw steamship "Queen City," built at Vancouver in 1894—length, 116 feet ; beam, 27 feet ; depth, 10 feet, and gross tonnage 391 tons ;
- (9) the wooden screw steamship "Willapa," built at Astoria, Oregon, in 1891—length, 136 feet ; beam, 22 feet ; depth, 10 feet, and gross tonnage 373 tons ;
- (10) the steel stern-wheel steamship "Beaver," built at Victoria in 1898—length, 140 feet ; beam, 28 feet ; depth, 5 feet, and gross ton-

nage 545 tons ; (11) the wooden screw steamship "Otter," built at Victoria in 1900—length, 128 feet ; beam, 24 feet ; depth, 11 feet, and gross tonnage 366 tons ; (12) the wooden screw steamship "Maude," built at Victoria in 1852—length, 113 feet ; beam, 21 feet ; depth, 9 feet, and gross tonnage 175 tons ; (13) the wooden stern-wheel steamship "Transfer," built at New Westminster in 1893—length, 122 feet ; beam, 24 feet ; depth, 5 feet, and gross tonnage 246 tons, now being operated by the Canadian Pacific Navigation Company, Limited, and (14) the twin screw steamship "Hating," built at Newcastle-on-Tyne in 1888—length, 250 feet ; breadth, 34 feet ; depth, 18 feet, and gross tonnage 1,394 tons, together with their rigging, appurtenances and auxiliaries, and all of which vessels are now engaged in navigating the waters of the Pacific Ocean, and are intended to be continued by the Company on such waters which are reached by or connected with the Company's railway ; (15) A steamship for the North Pacific Coast trade to be hereafter constructed or acquired, being a screw steel steamship of about 290 feet in length ; beam 40 feet ; depth about 23 feet and a gross tonnage of about 1,800 tons, somewhat similar in size, style and arrangement to this Company's upper lake steamship "Manitoba" ; (16) A steamship to be hereafter constructed or acquired for service between Vancouver and Victoria, being a steel steamship of about 280 feet in length ; beam about 38 feet ; depth about 15 feet and a gross tonnage of about 1,500 tons, somewhat similar in style to the said steamship "Charmer," and (17) a steamship somewhat similar in style and arrangement to the Company's steamships now engaged in the Trans-Pacific trade, but of a larger size and greater speed and cost, and to be hereafter constructed or acquired ; it is advisable to issue bonds of this Company under the provisions of the said Act to an amount not ex-

ceeding the amount hereinafter mentioned, which amount does not exceed the cost to this Company of the said vessels already constructed and above described, and the estimated cost of the said vessels to be hereafter constructed or acquired ;

And whereas, it is deemed advisable that this Company should execute a deed or deeds of mortgage covering the said steam vessels, including those to be hereafter constructed or acquired (after the same have been constructed or acquired), their rigging, appurtenances and auxiliaries, in favor of Trustees to be appointed at this meeting of shareholders for the purpose of securing such issue of bonds ;

And Whereas,—The Royal Trust Company have consented to act as Trustees under such deed or deeds of Mortgage to secure such Bonds,

Therefore be it Resolved,—That the Company do issue in aid of the acquisition of the said steam vessels the bonds of the Company to an amount not exceeding £480,000 sterling, payable at the end of twenty years from the date thereof, with interest half-yearly on the first day of January and July in each year at the rate of 5 per cent. per annum, such bonds and the interest coupons to be made payable at such place or places, and to be for such amounts and otherwise in such form as the Board of Directors of the Company shall determine by resolution ; and the Board of Directors is hereby authorized and empowered to issue and dispose of the said bonds, or to pledge or hypothecate the same from time to time for the purposes set forth in this resolution ; and also for the purpose of securing such issue of bonds and the payment of the principal and interest thereof, the Board of Directors is hereby authorized and empowered to cause to be prepared, executed in due form by the Company, and delivered to the Royal Trust Company as Trustees, and which Company

are hereby appointed Trustees for Bondholders, a valid and sufficient deed or valid and sufficient deeds of mortgage on each or all of the said vessels, including those to be hereafter constructed or acquired. (after the same have been constructed or acquired) their rigging, appurtenances and auxiliaries, in such form and containing such provisions as the Board shall approve in order to meet the requirements of the law in that behalf, together with such other instrument or instruments as the Directors may deem expedient and proper, and in such form and containing such provisions as they may determine for the purpose of securing efficiently the said issue of Bonds and the payment of the principal and interest thereof, and the rights and remedies of the holders of the same.

And the proceedings terminated.

WM. C VAN HORNE,

C. DRINKWATER,

Chairman.

Secretary.

NOTE.—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected Chairman of the Board, and Sir Thomas G. Shaughnessy President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE:

Sir Wm. C. Van Horne, K.C.M.G.

Sir Thomas G. Shaughnessy

The Rt. Hon. Lord Strathcona and Mount Royal

Mr. Richard B. Angus

Mr. Edmund B. Osler, M.P.

ANNUAL REPORT

OF THE

CANADIAN PACIFIC

RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED JUNE 30TH

1902.

MONTREAL, AUGUST, 1902.

ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
FISCAL YEAR ENDED JUNE 30TH, 1902.

NOTICE TO SHAREHOLDERS.

The Twenty-First Annual Meeting of the Shareholders of this Company for the election of Directors, and the transaction of business generally, will be held on **WEDNESDAY**, the 1st day of October next, at the principal office of the Company at Montreal, at twelve o'clock noon.

The Common Stock transfer books will close in London at 3 p.m. on Friday, 22nd August, and in Montreal and New York at 3 p.m. on Friday, 5th September.

The Preference Stock books will close at 3 p.m. on Tuesday, 2nd September. All books will be reopened on Thursday, 2nd October.

By order of the Board,

CHARLES DRINKWATER,
Secretary.

Montreal, August, 1902.

BOARD OF DIRECTORS

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS,	MONTREAL.
" EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	BOSTON.
" WILMOT D. MATTHEWS,	TORONTO.
" THOMAS SKINNER,	LONDON.
" CHARLES R. HOSMER,	MONTREAL.
THE HON. GEO. A. DRUMMOND, SENATOR,	do
THE HON. ROBT. MACKAY, SENATOR,	do
MR. R. G. REID,	do
" CLARENCE H. MACKAY,	NEW YORK.
" DAVID McNICOLL,	MONTREAL.
SIR THOMAS G. SHAUGHNESSY,	do

GENERAL OFFICERS

SIR THOMAS G. SHAUGHNESSY, <i>President,</i>	MONTREAL.
MR. D. McNICOLL, <i>2nd Vice-President and General Manager,</i>	do
" I. G. OGDEN, <i>3rd Vice-President,</i>	do
GEO. M. BOSWORTH, <i>4th Vice-President,</i>	do
CHAS. DRINKWATER, <i>Secretary,</i> { and Asst. to the } President }	do
" A. R. CREELMAN, K.C., <i>Chief Solicitor,</i>	do
" W. SUTHERLAND TAYLOR, <i>Treasurer,</i>	do
" C. W. SPENCER, <i>Gen. Supt. of Transportation,</i>	do
" ROBT. KERR, <i>Passenger Traffic Manager,</i>	do
" W. R. MACINNES, <i>Freight Traffic Manager,</i>	do
" E. H. MOHENRY, <i>Chief Engineer,</i>	do
" J. W. LEONARD, { <i>Assistant General Manager of lines</i> West of Lake Superior, }	WINNIPEG.
" W. WHYTE, <i>Assistant to the President,</i>	do
" W. R. BAKER, <i>Assistant to the 2nd Vice-President,</i>	MONTREAL.
" ARTHUR PIERS, <i>Manager of Steamship Lines,</i>	do
" R. MARPOLE, <i>Gen. Supt. Pacific Division,</i>	VANCOUVER.
" H. P. TIMMERMAN, <i>Gen. Supt. Ontario Division,</i>	TORONTO.
" JAMES OBORNE, <i>Gen. Supt. Eastern Division,</i>	MONTREAL.
" R. R. JAMIESON, <i>Gen. Supt. Western Division,</i>	CALGARY.
" WILLIAM DOWNIE, <i>Gen. Supt. Atlantic Division,</i>	ST. JOHN, N.B.
" G. J. BURY, <i>Gen. Supt. Lake Superior Division,</i>	NORTH BAY.
" JAS. KENT, <i>Manager of Telegraphs,</i>	MONTREAL.
" F. T. GRIFFIN, <i>Land Commissioner,</i>	WINNIPEG.
" J. S. DENNIS, <i>Supt. of Irrigation and B.C. Ld. Commissioner,</i>	CALGARY.
" HARRY MOODY, { <i>Deputy Secretary and Registrar of</i> Transfers, 1 Queen Victoria St., London, E.C.	
" ARCHER BAKER, { <i>European Traffic Manager, 67 and 68</i> King William Street, }	do
Agents of the Bank of Montreal, <i>Transfer Agents,</i>	50 Wall St., NEW YORK.
Montreal Transfer Office,	Office of the Secretary, Montreal.

EXECUTIVE COMMITTEE

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS,	MR. EDMUND B. OSLER, M.P.
SIR THOMAS G. SHAUGHNESSY.	

CANADIAN PACIFIC RAILWAY COMPANY

TWENTY-SECOND ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED JUNE 30TH, 1903.

To the Shareholders.

The accounts of the Company for the year ended
June 30th, 1903, show the following results :—

Gross Earnings.....	\$48,957,378.04
Working Expenses.....	28,120,527.26
Net Earnings.....	\$15,836,845.78
Interest on deposits and loans.....	\$814,982.41
Interest due from the Duluth South Shore & Atlantic Ry. Co. on Consolidated bonds held by the Company.....	\$804,280.00
Less advanced by the Company.....	142,280.00
	462,000.00
Interest from Minneapolis St. Paul & Sault Ste. Marie Ry. Co. on bonds held by the Company.....	159,720.00
Interest from Mineral Range Railroad Co. on Bonds held by the Company.....	50,180.00
	1,286,812.41
	\$17,123,658.19
Deduct Fixed Charges.....	7,052,197.27
Surplus.....	\$10,071,460.92
Deduct amount applied against cost of Steamships.....	150,000.00
Carried forward.....	\$ 9,921,460.92

<i>Brought Forward</i>	\$ 9,921,460.92
From this there has been charged a half yearly dividend on Preference Stock of 2 per cent. paid 1st April, 1908.....	\$ 650,000.00
And a half-yearly dividend on Ordinary Stock of 2½ per cent., paid 1st April, 1908.....	2,112,500.00
	2,762,500.00
	\$ 7,158,960.92

From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable 1st October, 1908.....	\$ 650,000.00
And a second half-yearly dividend on Ordinary Stock of 3 per cent., payable October 1st, 1908.....	2,585,000.00

2. The working expenses for the year amounted to 63.97 per cent. of the gross earnings, and the net earnings to 36.03 per cent., as compared with 62.44 and 37.56 per cent. respectively in 1902.

3. Your Directors deemed it desirable to acquire for your Company control of the Kingston and Pembroke Railway, extending from Renfrew, on your main line, to Kingston, on Lake Ontario, a distance of 104 miles. It has been arranged that this be done at a cost of \$848,744, and you will be asked to approve the expenditure:—22,602 shares of the Preferred Stock and 35,182 shares of the Common Stock, constituting about 83 per cent. of the whole capital of the Kingston and Pembroke Railway Company, will be deposited with your Treasury securities. The line is now being operated under working arrangements with that Company, pending the execution of a formal lease which will be submitted for your approval.

4. For several years past your Company has been operating the Calgary and Edmonton Railway for account of the owners, receiving in return the benefit of all the traffic in either direction between points on the Calgary and Edmonton line and points reached by your system. The country along the line has been settled with considerable rapidity and the contributed traffic has grown to large proportions. Under these circumstances, your Directors thought it wise to prevent the possibility of the railway passing into unfriendly hands, and, therefore, they entered

into an agreement to lease the line, extending from Macleod to Edmonton, in Alberta, a distance of 296 miles, for a period of ninety-nine years, guaranteeing by way of rental 4 per cent. per annum on the Calgary and Edmonton Railway Company's Consolidated Debenture Stock, amounting to £1,121,700. To ensure the complete control of the property and its franchises, your Directors contracted to purchase for your Company all of the Capital Stock of the Calgary and Edmonton Railway Company for the sum of \$500,000. You will be asked to formally sanction their action and to approve the lease.

5. An agreement has been made with the Lindsay, Bobcaygeon and Pontypool Railway Company for the lease, on its completion, of that Company's line from Burketon, on the main line of your Ontario and Quebec Section, to Lindsay and Bobcaygeon, a distance of about 40 miles. The rental to be paid is 40% of the gross earnings, but not less than \$20,000 per annum, with the option to your Company of acquiring the full ownership of the property at any time within twelve years, by undertaking to pay an increased rental not exceeding in all \$28,000 per annum. The agreement will be submitted for your approval.

6. The residue of the issue of Preference Stock previously authorized by you for the purposes of the Company, amounting to £273,082, was created and sold during the year. Four per cent. Consolidated Debenture Stock to the amount of £764,350 was also created and sold, and the proceeds were used to cover the cost of the Pacific Coast steamships, and for the acquisition of the bonds of other Companies whose lines constitute a portion of your system, the interest on which had, with your authority, been guaranteed by your Company.

7. The land sales for the year amounted to 2,639,617 acres for the price of \$9,695,673, being an average of \$3.67 per acre.

8. During the year the guarantee of your Company as to interest was endorsed on Consolidated Bonds of the Minneapolis St. Paul and Sault Ste. Marie Railway Company to the amount of \$2,454,000, representing the cost of 122 $\frac{1}{10}$ th miles of additional railway constructed by that Company.

9. To meet the pressing requirements of settlers, many of whom came into the country during the past two years, your Directors authorized the construction of a railway between Regina, on the main line, and Arcola, the present terminus of the Pipestone Branch, a distance of about 113 miles; and an arrangement has been made whereby the Manitoba and North-Western Railway will be extended an additional distance of 33 miles. You will be asked to approve the construction of these lines and to authorize the creation and sale of sufficient 4 per cent. Consolidated Debenture Stock for the purpose.

10. The original \$25,000,000 of 5 per cent. Land Grant Bonds having been satisfied, the mortgage securing them has been cancelled. There remain outstanding \$15,000,000 Land Bonds bearing interest at the rate of $3\frac{1}{2}$ per cent. per annum guaranteed by the Dominion Government. The proceeds of the sales of lands covered by the mortgage securing these bonds will be deposited with the Dominion Government in accordance with the terms of the Statute. Five hundred thousand dollars have been thus deposited during the past year, and the amount due on deferred payments will go far toward liquidating the whole amount in the next few years, when the residue of your lands will be relieved of the mortgage and the bonds will become a Government obligation; in the meantime, the Government pays interest on the deposits at the rate of $3\frac{1}{2}$ per cent. per annum.

11. Under the authority of the resolution passed at the last annual meeting, your Directors purchased from the Elder Dempster Company fifteen steamships constituting that Company's Canadian-Atlantic fleet, the purchase price of the vessels and of the good-will of the sellers being £1,417,500 sterling. This amount has been temporarily advanced from your surplus earnings pending the issue and sale of 4 per cent. Consolidated Debenture Stock to a like amount which you will be asked to authorize at this meeting. An unfortunate accident resulted in the loss of one of the freight steamers. The amount required in excess of the insurance to replace this vessel will, of course, be charged against revenue.

12. Of the proceeds of the sale of \$19,500,000 Ordinary Shares, there had been expended to the end of the fiscal year \$17,228,953 (see exhibit "H"), and there were orders outstanding for cars and locomotives undelivered amounting to \$4,221,865. Since then additional orders have been placed to the amount of \$1,351,000, and it is proposed to continue the policy of increasing the rolling stock equipment as rapidly as circumstances will permit, until the Company is well ahead of its immediate requirements. When these contracts have been filled, the proceeds of the issue of Common shares, as well as the amount of \$3,000,000 appropriated from surplus earnings, will have been absorbed. The cost of cars and locomotives purchased during the last couple of years has been substantially increased, because of the necessity for getting so many of them outside of Canada, and paying the Canadian duty on their importation. In the near future, when your own shops have been completed, it is expected that you will be able to build yourselves most of the cars and locomotives required, thus saving the manufacturers' profit and the duty. Your Directors will ask authority to expend \$5,000,000 during the next year on various classes of equipment in addition to all orders that have been placed up to this time.

Many of the new works on which capital has been expended are being carried out on a more comprehensive scale than was originally contemplated, and the increase of nearly 50 per cent. within three years in the tonnage moved annually has made it imperative that you should, for the convenience of the public and your own financial advantage, provide forthwith many additional facilities, calculated to assist in promoting promptness and economy in the handling of your traffic, that under ordinary conditions might have been spread over a number of years. Notwithstanding your large outlay in the past for lands, tracks, buildings and other works at your more important terminals like St. John, Montreal, Toronto, Ottawa and Winnipeg, the facilities at most of these points are quite inadequate for present demands, and, as a result, there is frequent congestion resulting in inconvenience and expense to everybody concerned. With a view to remedying these conditions, and in order that the work of bringing your property

to a high standard of efficiency may be continued without cessation, you will be asked to authorize the Directors to expend capital for these general purposes to an amount not exceeding \$4,500,000.

For the Directors,

T. G. SHAUGHNESSY,
President.

APPENDIX

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CANADIAN PACIFIC
CONDENSED BALANCE

COST OF RAILWAY AND EQUIPMENT.....		\$ 242,700,210.81
OCEAN, LAKE AND RIVER STEAMSHIPS.....	\$ 5,808,424.37	
Less amount applied in reduction of cost.....	<u>1,968,224.60</u>	
		3,839,199.68
PACIFIC COAST STEAMSHIPS.....		956,150.12
ATLANTIC STEAMSHIPS.....		6,979,783.12
ACQUIRED SECURITIES HELD (Cost):		
Exhibit "A".....		43,470,868.83
HOTELS, BUILDINGS AND PROPERTIES HELD IN TRUST FOR THE COMPANY.....		2,286,634.85
DEFERRED PAYMENTS ON LAND AND TOWN SITE SALES.....		13,914,480.27
ADVANCES:		
To Montreal & Atlantic Ry., secured by \$500,000 First Mortgage Bonds.....		424,144.80
To Duluth South Shore & Atlantic Ry., Car Trusts, etc.....		236,213.19
ADVANCES TO NEW LINES UNDER CONSTRUCTION....		2,412,903.08
MATERIAL AND SUPPLIES ON HAND.....		5,486,788.24
STATION AND TRAFFIC BALANCES, ACCOUNTS RECEIVABLE.....		4,918,696.05
MISCELLANEOUS SECURITIES AND ADVANCES:		
Exhibit "B".....		1,606,902.55
IMPERIAL AND DOMINION GOVERNMENTS:		
Accounts due for mail transportation.....		236,667.54
CASH IN HAND.....	19,145,168.81	
Less amount temporarily advanced for purchase Atlantic Steamships pending issue of Securities.....	<u>6,972,556.78</u>	<u>12,172,612.03</u>
		\$ 341,699,276.68

NOTE.—In addition to the above Assets, the Company owns 12,081,776 acres of land in Manitoba and the Territories (average sales past year \$3.67 per acre) and 3,759,418 acres in British Columbia.

RAILWAY COMPANY

SHEET JUNE 30, 1903

CAPITAL STOCK.....		\$ 84,500,000.00
FOUR PER CENT. PREFERENCE STOCK.....		32,500,000.00
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK		67,252,252.52
MORTGAGE BONDS:		
First Mortgage Bonds, 5 per cent.....	\$ 84,986,888.83	
Canada Central Ry. 6 per cent.....	978,888.88	
Due Province of Quebec on Q. M. O. & O. & North Shore Ry.....	7,000,000.00	
Algoma Branch 1st Mortgage.....	8,650,000.00	
North Shore Ry. 1st Mortgage.....	616,119.67	
		47,238,886.83
LAND GRANT BONDS:		
Guaranteed $\frac{3}{4}$ per cent. Land Bonds.....	15,000,000.00	
Less amount paid Dominion Government towards redemption	500,000.00	
		14,500,000.00
CURRENT ACCOUNTS, PAY ROLLS AND TRAFFIC BALANCES		7,158,477.17
INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES:		
Coupons due July 1st, 1903, and including coupons overdue, not presented.....	1,487,015.35	
Accrued to date, not due.....	285,055.81	
		1,772,070.66
EQUIPMENT REPLACEMENT FUND		588,548.43
CASH SUBSIDIES FROM DOMINION AND PROVINCIAL GOVERNMENT AND MUNICIPALITIES...		80,229,109.07
LAND GRANT: Sales of land and town sites.....		37,119,561.70
SURPLUS		18,846,175.80
		<u>\$ 341,899,276.68</u>

I. G. OGDEN,
3rd Vice-President.

FIXED CHARGES FOR YEAR ENDED JUNE 30TH, 1903

£7,191,500	1st Mortgage Bonds 5% due July 1st, 1915.....	\$1,749,931.66
\$7,000,000	Province of Quebec, 4½%.....	268,500.00
£1,100	North Shore Ry. 1st Mortgage 5% Bonds due April 20th, 1904.....	267.66
£200,000	Canada Central Ry. 2nd Mortgage 6% Bonds due Nov. 1st, 1910.....	58,400.00
£200,000	St. Lawrence & Ottawa Ry. 4% 1st Mortgage Bonds due June 15th, 1910.....	38,993.34
\$2,544,000	Man. South Western Colonization Ry. 1st Mortgage 5% Bonds due June 1st, 1904.....	127,300.00
	Toronto, Grey and Bruce Ry. Rental.....	140,000.00
£4,007,381 15s. 6d.	Ontario and Quebec Ry. Debenture Stock 6%.....	975,129.56
\$2,000,000	Ontario and Quebec Ry. (Ordinary Stock) 6%.....	120,000.00
£1,830,000	Atlantic & North West Ry. 1st Mortgage Bonds (less Government proportion) due Jan. 1st, 1907...	186,533.34
£750,000	Algoma Branch 5% First Mortgage Bonds due July 1st, 1907.....	182,500.00
	Rental, Farnham to Brigham Jct.....	1,400.00
	Rental, Mattawamkeag to Vanceboro.....	28,800.00
	Rental, New Brunswick Railway system.....	372,929.74
	Rental of Terminals at Toronto.....	32,957.89
	Rental of Terminals at Hamilton.....	32,791.39
	Rental, Hamilton Junction to Toronto.....	40,027.66
	Rental, St. Stephen and Milltown Ry.....	2,050.00
	Interest on Montreal and Western Ry. purchase...	20,098.73
	Interest on equipment leases.....	93,486.08

4% DEBENTURE STOCK

Issue for general purposes	£ 3,988,748
Issue for China and Japan Steamers.....	720,000
Issue for Souris Branch.....	1,004,000
Issue to retire Canada Central Ry. 1st Mortgage Bonds....	250,000
Issue for Branch lines.....	581,250
Issue for Pacific Coast Steamers.....	225,000
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C. P. Ry.....	7,104,956
	£13,818,956

1 Year on £13,104,606	
6 Mos. on £ 714,350	

\$2,630,500.04

\$7,052,197.27

EXHIBIT "A"

ACQUIRED SECURITIES HELD

MORTGAGE BONDS

			PAR VALUE	
Atlantic & North-West Ry., Eganville Branch.....	4%	First Mortgage.....	\$ 802,400.00	
British Columbia Southern Ry.....	5%	First "	967,500.00	
Columbia & Kootenay Ry..	4%	First "	1,277,500.00	
Columbia & Western Ry....	5%	First "	5,661,000.00	
Duluth South Shore & At- lantic Ry.....	4%	Consolidated Mortgage.....	15,107,000.00	
Great North West Central Ry.....	5%	First "	875,000.00	
Minneapolis, St. Paul & Sault Ste. Marie Ry.....	4%	Consolidated "	3,993,000.00	
Mineral Range Railroad...	4%	First "	1,254,000.00	
Manitoba & North Western Ry.....	6%	First "	£539,900.. 2,627,513.38	
Manitoba & North Western Ry., Shell River Branch	5%	First "	£ 33,000.. 160,800.00	
Saskatchewan & Western Ry.....	5%	First "	£ 37,200.. 181,040.00	
Montreal & Ottawa Ry.....	5%	First "	1,636,250.00	
Manitoba South Western Colonization Railway..	5%	First "	72,000.00	
North Shore Railway.....	5%	First "	610,766.67	
Kootenay & Arrowhead Ry.	5%	First "	780,000.00	
Vancouver & Lulu Island Ry.....	5%	First "	290,000.00	
Great North West Cen. Ry.	5%	First "	500,000.00	
Ottawa, Northern & West- ern Ry.....	4%	First "	3,075,000.00	
Amount paid on account \$2,061,234.04				
Pacific Steamships.....	4%	First "	£720,000.. 3,504,000.00	
Souris Branch.....	4%	First "	£400,000.. 1,946,866.67	
Pacific Coast Steamships ..	5%	First "	£225,000.. 1,095,000.00	
				<u>\$45,936,286.67</u>
Duluth South Shore & At- lantic Ry.....	..	Income Certificates.....		<u>\$3,000,000.00</u>

STOCKS

Atlantic & North-West Ry.	5%	Guaranteed Stock.....	\$3,240,000.00	
Duluth South Shore & At- lantic Ry.....		Preferred "	5,100,000.00	
Duluth South Shore & At- lantic Ry.....		Ordinary "	6,100,000.00	
Minneapolis St. Paul & Sault Ste. Marie Ry.....		Preferred "	3,533,400.00	
Minneapolis St. Paul & Sault Ste. Marie Ry.....		Ordinary "	7,066,600.00	
Manitoba & North Western Railway	5%	Debenture "	£126,000..... 613,200.00	
Manitoba & North Western Railway	5%	Preferred "	415,000.00	
Manitoba & North Western Railway		Common "	5,612,113.63	
Montreal & Atlantic Ry....		Common "	2,160,000.00	
Saskatchewan & Western Railway		Common "	232,500.00	
Ottawa, Northern & West- ern Railway.....		Common "	1,300,000.00	
				<u>\$35,372,813.63</u>

EXHIBIT "B"

DETAILS OF BALANCE SHEET ITEM

"MISCELLANEOUS SECURITIES AND ADVANCES"

CHATEAU FRONTENAC, (QUEBEC HOTEL,) Stock	\$ 290,000.00
CANADA NORTHWEST LAND Co., STOCK, (cost).....	518,087.21
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C.N.W. Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.....	97,823.57
(Acquired in 1890, with view to extension of line from Wood- stock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY, STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equip- ment and organization.)	
INSURANCE PREMIUMS PREPAID.....	331,805.31
(On contract to secure advantageous terms.)	
SOUTH ONTARIO PACIFIC RAILWAY STOCK	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK	35,000.00
ONTARIO & QUEBEC RAILWAY STOCK, (cost).....	7,650.00
VICTORIA ROLLING STOCK CO. BONDS.....	187,986.40
TOWN OF MORRIS, MAN., BONDS	15,000.00
	\$1,806,902.55

EXHIBIT "C" LANDS

SALES—	ACRES	AMOUNT REALIZED	AVERAGE PER ACRE
CANADIAN PACIFIC LAND GRANT—			
(includes Souris Branch Grant)			
July 1st, 1902 to June 30th, 1903.....	2,280,781	\$ 8,473,578	\$3.75
July 1st, 1901 to June 30th, 1902.....	1,302,852	4,442,136	3.26
MAN. SOUTH WESTERN GRANT—			
July 1st, 1902 to June 30th, 1903.....	250,452	699,610	2.79
July 1st, 1901 to June 30th, 1902.....	206,412	713,366	3.46
GREAT NORTH WEST CENTRAL GRANT—			
July 1st, 1902 to June 30th, 1903.....	128,434	522,490	4.07
July 1st, 1901 to June 30th, 1902.....	19,804	72,280	3.65
TOTAL SALES—			
July 1st, 1902 to June 30th, 1903.....	2,639,617	\$9,695,678	\$3.67
July 1st, 1901 to June 30th, 1902.....	1,589,068	5,227,762	3.29

POSITION OF LAND GRANTS AT JUNE 30TH, 1903

CANADIAN PACIFIC—	ACRES	ACRES
Original Grant.....	25,000,000	
Disposed of to the Dominion Government under agreement of March 30th, 1886.....	6,798,014	
	18,206,986	
SOURIS BRANCH GRANT.....	1,611,520	
	19,818,506	
Sales to June 30th, 1903.....	8,352,949	
Less, cancelled during year.....	28,802	
	8,329,147	
Quantity of land unsold.....		11,489,359
MANITOBA SOUTH WESTERN—		
Total Grant.....	1,396,800	
Sales to June 30th, 1903.....	996,859	
Less, cancelled during year.....	2,544	
	991,095	
Quantity of land unsold.....		405,705
GREAT NORTH WEST CENTRAL—		
Total Grant.....	320,004	
Sales to June 30th, 1903.....	148,238	
Less, cancelled during year.....	14,946	
	133,292	
Quantity of land unsold.....		186,712
Total agricultural land owned by the Company.....		12,081,776

BRITISH COLUMBIA LANDS

COLUMBIA & KOOTENAY—		
Total Grant.....	190,000	
Sales to June 30th, 1903.....	29,569	
Quantity of land unsold.....		160,431
BRITISH COLUMBIA SOUTHERN—		
Total Grant.....	3,600,000	
Sales to June 30th, 1903.....	1,013	
	3,598,987	
Total British Columbia lands owned by the Company.....		3,759,418

In addition to the foregoing the Company is to receive through the Columbia & Western Ry. about 2,500,000 acres of land.

EXHIBIT "D"

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Souris Branch—Pipestone Extension.....	\$ 28,115.33
do Arcola Extension.....	69,692.90
Snowflake Branch.....	104,008.25
Lake Winnipeg Branch.....	292,737.10
Waskada Branch.....	253,100.04
Lac du Bonnet Branch.....	32.35
McGregor Branch.....	104,017.28
Stonewall Branch.....	618.84
Vancouver and New Westminster Railway.....	136.59
Surveys projected lines.....	96,061.83
	\$ 949,120.51

EXHIBIT "E"

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM
JULY 1ST, 1902, TO JUNE 30TH, 1903

MAIN LINE:

QUEBEC TO BONFIELD:

Additional sidings, buildings, stations and yards	\$ 71,567.11
Permanent bridges and improvements of line ..	37,658.74
Payment account purchase of Canada Central Railway	475.89
	\$ 109,701.74

BONFIELD TO PORT ARTHUR:

Additional sidings, buildings, stations and yards	\$212,964.90
Permanent bridges and improvements of line...	339,525.78
Wharves, docks and warehouses	6,149.89
	558,640.66

PORT ARTHUR TO LAGGAN:

Additional sidings, buildings, stations and yards	\$479,869.86
Permanent bridges and improvements of line...	375,171.21
Winnipeg terminals	37,834.92
Wharves, docks and warehouses	64,180.87
Coal handling plant, Fort William	162,905.68
Annex Elevators B and D, Fort William	678,165.30
	1,797,977.79
Less:—Amount received from Dominion Government rebate of duty on bridge material...	128,365.70
	1,669,612.09

LAGGAN TO PACIFIC COAST:

Additional sidings, buildings, stations and yards	\$161,819.06
Permanent bridges and improvements of line...	137,246.43
Wharves, docks and warehouses	27,920.10
Diversion of line between Field and Ottertail....	82,277.94
	459,263.53
Montreal terminals	375,890.15
Total, Main Line carried forward	\$3,172,597.67

Main Line brought forward.....		\$3,172,597.97
BRANCH LINES:		
South Western Branch	23,644.33	
Revelstoke and Arrow Lake Branch.....	226.88	
Nakusp and Slocan Branch.....	4,353.43	
Mission Branch.....	3,329.91	
Buckingham Branch.....	479.80	
SOURIS BRANCH:		
Additional sidings, buildings, stations and yards	35,490.02	
Permanent bridges and improve- ments of line.....	34,420.74	
		69,910.76
ALGOMA BRANCH:		
Additional sidings, buildings, stations and yards.....	13,576.32	
Permanent bridges and improve- ments of line.....	48,358.83	
		61,935.15
CROW'S NEST PASS BRANCH:		
Additional sidings, buildings, stations and yards.....	16,202.71	
Permanent bridges and improve- ments of line.....	33,145.13	
		49,347.84
Telegraph Extensions and Additions.....		213,223.10
Rented and temporary sidings.....		169,783.29
		82,044.80
Total for improvements, Main Line and Branches		<u>\$ 3,637,643.86</u>

EXHIBIT "F"

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES

FROM JULY 1st, 1902, TO JUNE 30th, 1903.

ONTARIO AND QUEBEC RAILWAY

Additional sidings, buildings, stations and yards...	\$ 107,190.82	
Permanent bridges and improvements of line.....	157,758.51	
		<u>\$ 264,948.83</u>

ATLANTIC AND NORTH-WEST RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 46,482.86	
Permanent bridges and improvements of line.....	146,862.81	
		<u>193,445.67</u>

NEW BRUNSWICK RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 46,447.58	
Permanent bridges and improvements of line.....	48,262.33	
Wharves, docks and warehouses.....	8,524.06	
West St. John yard improvements.....	84,528.05	
		<u>137,768.62</u>

MONTREAL AND WESTERN RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 6,861.77	
Account purchase of road	7,765.38	
		<u>14,627.15</u>

MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY

Additional sidings, buildings, stations and yards ...	\$ 11,919.84	
Permanent bridges and improvements of line.....	22,666.25	
		<u>34,586.09</u>

COLUMBIA AND KOOTENAY RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 3,821.47	
Permanent bridges and improvements of line.....	109,202.95	
		<u>112,524.42</u>

MANITOBA AND NORTH-WESTERN RAILWAY :

Additional sidings, buildings, stations and yards ...	\$ 8,188.37	
Permanent bridges and improvements of line.....	7,515.83	
		<u>15,654.20</u>

GREAT NORTH-WEST CENTRAL RAILWAY :

Additional sidings, buildings, stations and yards..	\$ 2,920.31	
Permanent bridges and improvements of line.....	3,915.00	
		<u>6,835.31</u>

LAKE TEMISCAMINGUE COLONIZATION RAILWAY :

Additional sidings, buildings, stations and yards...	2,105.28	
Permanent bridges and improvements of line.....	791.19	
		<u>2,896.47</u>

BRITISH COLUMBIA SOUTHERN RAILWAY :

Additional sidings, buildings, stations and yards...	35,914.83	
Permanent bridges and improvements of line.....	58,087.30	
Loop tunnel	3,068.53	
Balfour extension.....	2,599.74	
		<u>99,669.90</u>

Total leased and acquired lines.....		<u>\$ 882,966.66</u>
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EXHIBIT "G"

DETAILS OF BALANCE SHEET ITEM

LAND GRANT

8,329,147 acres and Townsites sold, amounting to.....	\$28,478,868.20
6,796,014 acres disposed of to the Dominion Government in 1886.....	10,180,521.00
	\$38,659,389.20
<i>Less:—</i> Expenses, cultivation rebate, and 10 p.c. on Land Grant Bonds retired and cancelled.....	3,872,352.83
	\$34,786,586.37
<i>Add:—</i> Proceeds Manitoba South Western Colonization Ry. Land Sales.....	1,790,896.24
Proceeds Columbia and Kootenay Ry. Land Sales.....	25,079.36
Proceeds Great North West Central Ry. Land Sales.....	497,274.20
Proceeds Manitoba and North Western Ry. Land Sales.....	11,275.53
	<u>\$37,119,561.70</u>

EXHIBIT "H."

SUMMARY STATEMENT OF EXPENDITURE OF PROCEEDS OF ISSUE NEW
CAPITAL STOCK.

Locomotives.....	127	2,372,205.04
Sleeping, Parlor, Dining, Official and Pay Cars....	32	464,128.68
Passenger, Tourist and Colonist Coaches.....	48	432,636.53
Baggage, Mail and Express Cars.....	14	62,600.91
Conductors' Vans.....	135	113,970.41
Box, Stock, Refrigerator and Furniture Cars.....	4,110	3,717,542.89
Flat, Coal and Ore Cars.....	1,680	1,282,716.92
Other Cars and Snow Plows.....	42	269,895.62
New Shops under construction at Montreal, and additional machinery.....	1,268,181.66	
Additional shops and machinery at other points.....	162,696.46	1,430,828.12
Reduction of grades and improvements of line.....		2,924,643.24
Sidings:—Business	157,036.99	
Crossing	561,038.13	
		718,075.12
Terminals:—Property acquired for and expenditure to enlarge terminals at		
Ottawa	4,706.40	
Montreal.....	728,384.18	
Winnipeg.....	59,531.60	
		792,622.18
Increased Station, Yard and other accomodation at other points on system.....	1,269,839.58	
Additional Elevators, Ft. William and Port Arthur.....	718,670.51	
Wharves, Docks, Warehouses and Coal Handling plants ..	397,913.06	
Telegraph Extensions and Additions	260,665.08	
		4,157,785.48
		<u>\$17,228,953.84</u>

RECEIPTS AND EXPENDITURES
YEAR ENDED JUNE 30TH, 1903

Cash in hand June 30th, 1902.....\$ 15,227,691.47

RECEIPTS:

Surplus revenue, as per statement..... 10,071,460.92

LAND DEPARTMENT

Lands and Townsites

Net proceeds of sales..... \$ 9,682,048.31

Less amounts remaining in Deferred Payments 7,944,841.38

\$ 1,687,206.98

Collection of Deferred Payments on previous years' sales..... 1,220,821.57

2,908,028.55

OCEAN, LAKE AND RIVER STEAMERS:

Sale of Steamers Walsh and Illecillewaet..... \$ 14,750.00

Less applied to completion of Steamer..... 3,571.79

11,178.21

BONUSES

Dominion Government subsidy on

Crows Nest Pass Branch..... \$ 60,000.00

Lake Winnipeg Branch..... 81,650.00

Kootenay and Arrowhead Ry..... 42,771.00

Province of Manitoba subsidy on

Branch Lines in Manitoba..... 75,000.00

259,421.00

SUBSCRIPTION TO \$19,500,000.00 ADDITIONAL ORDINARY STOCK

Payments of remaining instalments and premium on unsubscribed stock sold..... 11,946,164.73

FOUR PER CENT. PREFERENCE STOCK

Amount realized from issue of £275,082..... 1,401,902.88

CONSOLIDATED DEBENTURE STOCK

Amount realized from issue of £764,350..... 4,128,488.19

\$ 45,949,330.95

DEDUCT INCREASE IN ACCOUNTS RECEIVABLE

Stations and traffic balances..... \$ 4,918,698.06

Advances to new lines under construction 2,412,908.08

Miscellaneous securities and advances 1,606,902.55

Due from Imperial and Dominion Governments.... 236,687.54

9,175,191.22

Less, amounts at June 30th, 1902..... 7,271,354.85

1,903,836.87

\$44,045,494.08

EXPENDITURES:

Dividends on Preference Stock,	
2 per cent paid October 1st, 1902	\$ 625,420.00
2 per cent paid April 1st, 1903	650,000.00
	\$1,275,420.00
Dividends on Ordinary Stock,	
2½ per cent paid October 1st, 1902	1,625,000.00
2½ per cent paid April 1st, 1903	2,112,500.00
	3,737,500.00
Pension Fund,	
Amount paid to the fund as authorized at Shareholders meeting October 2nd, 1901	250,000.00
Hotels, buildings and properties held in trust for the Company.	
Construction acquired and branch lines, Exhibit "D"	481,222.86
Additions and improvements, main line and branches, Exhibit "E"	949,120.51
Additions and improvements, leased and acquired lines, Exhibit "F"	3,687,648.86
Rolling stock, shops and machinery	882,966.06
New Montreal shops	6,766,026.83
Pacific Coast Steamships	852,445.00
Atlantic Steamships	956,150.13
Amount of purchase temporarily advanced from earnings	6,979,783.13
Land grant bonds,	
Amount paid in redemption of 5% bonds	\$ 1,575,000.00
Amount paid on account of 3½% bonds	500,000.00
	2,075,000.00
<u>Securities Acquired</u>	
Manitoba & North West Ry. System securities	\$ 924.67
Kootenay & Arrowhead Ry. 1st mortgage bonds	854,128.95
Great North West Central Ry., Forest Extension 1st mortgage bonds	551,896.45
Vancouver & Lulu Island Ry., 1st mortgage bonds	308,967.84
Ottawa, Northern & Western Ry., on account 1st mortgage bonds	2,091,234.04
	3,807,161.95
Increase in material and stores in hand	1,048,261.26
	\$33,694,707.88
Less increase in current liabilities	1,821,925.83
	\$31,872,882.05
Cash in hand	12,172,612.08
	\$44,045,494.08

STATEMENT OF EARNINGS FOR THE YEAR ENDED JUNE 30TH, 1903

From Passengers.....	\$11,601,973.71
“ Freight.....	28,502,081.76
“ Mails.....	657,905.26
“ Express.....	908,086.03
“ Parlor and Sleeping Cars.....	637,442.05
“ Telegraph, Grain Elevators and Miscellaneous, including profit on Pacific Steamships.....	2,248,672.24
Total.....	<u><u>\$43,967,578.04</u></u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR ENDED
JUNE 30TH, 1903

Conducting Transportation	\$ 6,484,321.57
Maintenance of Way and Structures.....	6,726,241.17
Motive Power.....	8,989,111.77
Maintenance of Cars.....	2,467,976.60
Parlor and Sleeping Car Expenses.....	144,849.83
Expenses of Lake and River Steamers	470,773.08
General Expenses.....	2,523,315.02
Commercial Telegraph	547,426.15
Total.....	<u><u>\$28,120,627.96</u></u>

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1903

Locomotives.....	840
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	725
First class sleeping and dining cars.....	139
Parlor cars, Official and Paymasters' cars.....	45
Freight and cattle cars, (all kinds).....	26,270
Conductors' vans.....	492
Board, Tool and Auxiliary Cars and Steam Shovels.....	984

OCEAN, LAKE AND RIVER STEAMERS.

ATLANTIC SERVICE:

Lake Manitoba	Monteagle
Lake Champlain	Montrose
Lake Michigan	Montreal
Lake Erie	Milwaukee
Mount Temple	Mount Royal
Montcalm	Montezuma
Montfort	Monmouth

PACIFIC SERVICE:

Empress of India
Empress of Japan
Empress of China
Tartar
Athenian

PACIFIC COAST SERVICE:

Amur	Princess May
Beaver	Princess Victoria
Charmer	Queen City
Danube	R. P. Rithet
Otter	Tees
Princess Beatrice (building)	Yosemite
Princess Louise	

UPPER LAKE SERVICE:

Manitoba
Athabasca
Alberta

BRITISH COLUMBIA LAKE AND RIVER SERVICE:

Aberdeen	Schwatka
Kokanee	Slocan
Minto	York
Moyle	Victoria
Nelson	Kootenay
Roseland	
Tugs—Columbia	Valhalla
New Denver	Wm. Hunter
Proctor	Ymir
Sandon	

FERRY SERVICE:

Michigan
Ontario

DESCRIPTION OF FREIGHT CARRIED

		YEAR ENDED JUNE 30TH		
		1901	1902	1903
Flour	Barrels	8,785,873	4,921,998	5,110,757
Grain	Bushels	32,927,468	52,719,706	63,822,710
Live Stock	Head	945,396	963,742	1,103,696
Lumber	Feet	899,214,646	1,033,569,377	1,190,378,217
Firewood	Cords	204,818	204,968	266,401
Manufactured Articles	Tons	1,954,396	2,288,284	2,665,290
All other Articles	Tons	2,206,970	2,571,136	2,942,736

FREIGHT TRAFFIC

		YEAR ENDED JUNE 30TH		
		1901	1902	1903
Number of tons carried		7,155,813	8,769,984	10,180,847
Number of tons carried one mile		2,333,633,945	3,247,922,167	3,862,242,993
Earnings per ton per mile		0.79 cts.	0.75 cts.	0.74 cts.

PASSENGER TRAFFIC

		YEAR ENDED JUNE 30TH	
		1902	1903
Number of passengers carried		4,796,746	5,524,196
Number of passengers carried one mile		534,777,135	635,655,533
Earnings per passenger per mile		1.75 cts.	1.73 cts.

TRAFFIC TRAIN EARNINGS
YEAR ENDED JUNE 30TH, 1908

	Mileage	Earnings	Earnings per Traffic Train Mile
Passenger (including mixed trains)...	9,888,891	\$12,574,480.00	\$1.33
Freight (including mixed trains)....	14,744,064	27,671,887.20	1.88
Total	23,058,079	\$40,546,367.20	\$1.76

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Ocean, Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$2,392,794.63.

EXPENSES PER TRAFFIC TRAIN MILE
YEAR ENDED JUNE 30TH, 1908

	Expenses	Expenses per Traffic Train Mile
Maintenance of way and structures.....	\$ 6,723,241.17	0.292
Motive power	8,888,111.77	0.380
Maintenance of cars.....	2,487,976.69	0.108
Traffic and general expenses.....	8,901,886.42	0.386
	\$27,102,316.05	1.176

TRAIN TRAFFIC STATISTICS—FOR TWELVE MONTHS ENDED JUNE 30TH, 1903
EARNINGS OF LAKE AND RIVER STEAMERS NOT INCLUDED IN THIS STATE

	Year ending June 30th, 1903.	Year ending June 30th, 1902.
TRAIN MILEAGE.		
Passenger trains	8,309,015	7,782,176
Freight "	13,858,188	11,792,221
Mixed "	1,390,876	1,563,902
Total trains.....	23,053,079	21,128,299
CAR MILEAGE.		
PASSENGER.		
Coaches and P. D. and S. cars.....	41,429,693	37,662,053
Combination cars.....	2,023,346	1,614,654
Baggage, Mail and Express cars.....	14,473,519	13,186,917
Total Passenger cars.....	57,931,548	52,463,624
FREIGHT.		
Loaded	242,513,797	218,146,272
Empty	64,888,080	62,997,300
Caboose	14,426,078	12,952,389
Total Freight cars.....	321,807,955	294,095,961
Passenger cars per Traffic Train Mile.....	5.97	5.62
Freight " " " " "	21.83	22.04
PASSENGER TRAFFIC.		
Passengers carried (Earning revenue).....	5,489,806	4,755,884
" " " " " one mile.....	628,299,806	523,660,022
Passengers carried (Earning revenue) one mile per mile of road	82,202	69,133
Average journey per passenger..... Miles	114.09	110.12
Average amount received per passenger..... \$	1.91	1.87
" " " " " per passenger mile.... Cts.	1.68	1.70
Average number of passengers per train mile.....	64.57	58.09
" " " " " car	14.76	13.61
Revenue from passengers per passenger car mile Cts	24.77	23.18
Total passenger train earnings per train mile..... \$	1.33	\$ 1.17
" " " " " mile of road.... \$	1.696.61	1,447.26
FREIGHT TRAFFIC.		
Tons of Revenue Freight carried one mile.....	3,721,377,190	3,118,414,945
" Non. rev. " " "	534,777,563	445,680,233
Total Tons (all classes) Freight carried one mile.....	4,256,654,752	3,564,095,178
Tons of Revenue Freight carried one mile per mile of road	487,264	411,608
Tons of Non-rev. Freight carried one mile per mile of road	70,015	58,814
Total Tons (all classes) Freight carried one mile per mile of road.....	557,300	470,422
Average amount received per ton per mile of Revenue Freight..... Cts.	0.743	0.752
Average No. of tons of Revenue Freight per train mile	252.43	233.95
" " " " " Non-rev. " " " "	36.28	33.39
" " " " " (all classes) " " " "	283.71	267.04
" " " " " Revenue Freight per Loaded Car Mile.....	15.34	14.30
Average No. of tons of Non-rev. Freight per Loaded Car Mile.....	2.21	2.04
Average No. of tons of (all classes) Freight per Loaded Car Mile.....	17.55	16.34
Freight Train Earnings per Loaded Car Mile.... Cts.	11.41	10.76
" " " " " Train mile..... \$	1.33	\$ 1.17
" " " " " Mile of road..... \$	3,629.07	3,096.60

NOTE.—

\$ Difference from last year's report caused by using as "Divisor" the sum of Mixed train mileage, also Freight and Mixed train mileage, in accordance with Rules of Interstate Commerce Commission, the American Railway Association and the American of Railway Accounting Officers.

11/15/04
PROPERTY OF
HARVEY FISK & SONS,
STATISTICAL DEPARTMENT.
NOT TO BE LOANED OR TAKEN FROM OFFICE.

ANNUAL F
REPORT

OF THE

RAILWAY COMPANY

CANADIAN PACIFIC

RAILWAY

JUNE 30TH, 1904.

ERS.

FOR THE

holders of this Company for the
Directors, and the trans-
day, the 5th day of October
at Twelve o'clock, noon.

FISCAL YEAR ENDED JUN

considering, and if approved,
Stock of the Company by
the Company—such increase
requirements of the Company
such resolution or By-
in order to enable the

1904.

New York and London at
book books will also close at

LES DRINKWATER,

Secretary.

MONTREAL, AUGUS

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ANNUAL REPORT

OF THE

OF THE

PACIFIC RAILWAY

CANADIAN PACIFIC
RAILWAY

FOR THE

YEAR ENDED JUNE 30TH,

NOTICE TO SHAREHOLDERS.

FOR THE

Annual Meeting of the Shareholders of the
to take the places of the retiring Directors
ally, will be held on Wednesday, the
of the Company at Montreal, at Twelve

SPECIAL MEETING

FISCAL YEAR ENDED JUNE

1904.

Special for the purpose of considering
of the present Ordinary Capital Stock
25,500,000 for the purposes of the Com
time to time according to the requirem
by the Directors—and of adopting su
necessary in connection therewith in c
eto.
fer books will close in Montreal, New Y
ber 1st. The Preference Stock bool
ptember.
ed on Thursday, 6th October.

By order of the Board,

CHARLES DRI

04.

MONTREAL AUGUS

BOARD OF DIRECTORS

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS,	MONTREAL.
" EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co.,	BOSTON.
" WILMOT D. MATTHEWS,	TORONTO.
" THOMAS SKINNER,	LONDON.
" CHARLES R. HOSMER,	MONTREAL.
THE HON. SIR GEO. A. DRUMMOND, K.C.M.G., Senator,	do
THE HON. ROBT. MACKAY, SENATOR,	do
MR. R. G. REID,	do
" CLARENCE H. MACKAY,	NEW YORK.
" DAVID MCNICOLL,	MONTREAL.
SIR THOMAS G. SHAUGHNESSY,	do

GENERAL OFFICERS

SIR THOMAS G. SHAUGHNESSY, <i>President,</i>	-	-	-	MONTREAL
MR. D. MCNICOLL, <i>Vice-President,</i>	-	-	-	do
" W. WHYTE, <i>2nd Vice-President,</i>	-	-	-	WINNIPEG.
" I. G. OGDEN, <i>3rd Vice-President,</i>	-	-	-	MONTREAL.
" GEO. M. BOSWORTH, <i>4th Vice-President,</i>	-	-	-	do
" CHAS. DRINKWATER, <i>Secretary,</i>	{	and Asst. to the	}	do
		President		
" A. R. CREELMAN, K.C., <i>Chief Solicitor,</i>	-	-	-	do
" W. SUTHERLAND TAYLOR, <i>Treasurer,</i>	-	-	-	do
" C. W. SPENCER, <i>Gen. Supt. of Transportation, Eastern Lines,</i>	-	-	-	do
" ROBT. KERR, <i>Passenger Traffic Manager,</i>	-	-	-	do
" W. R. MACINNES, <i>Freight Traffic Manager,</i>	-	-	-	do
" W. F. TYE, <i>Chief Engineer,</i>	-	-	-	do
" W. R. BAKER, <i>Assistant to the Vice-President,</i>	-	-	-	MONTREAL.
" ARTHUR PIERS, <i>Manager of Steamship Lines,</i>	-	-	-	do
" R. MARPOLE, <i>Gen. Supt. Pacific Division,</i>	-	-	-	VANCOUVER.
" H. P. TIMMERMAN, <i>Gen. Supt. Ontario Division,</i>	-	-	-	TORONTO.
" JAMES OBORNE, <i>Gen. Supt. Eastern Division,</i>	-	-	-	MONTREAL.
" G. J. BURY, <i>Gen. Supt. Central Division,</i>	-	-	-	WINNIPEG.
" R. R. JAMIESON, <i>Gen. Supt. Western Division,</i>	-	-	-	CALGARY.
" WILLIAM DOWNIE, <i>Gen. Supt. Atlantic Division,</i>	-	-	-	ST. JOHN, N. B.
" F. P. BRADY, <i>Gen. Supt. Lake Superior Division,</i>	-	-	-	NORTH BAY.
" JAS. KENT, <i>Manager of Telegraphs,</i>	-	-	-	MONTREAL.
" F. T. GRIFFIN, <i>Land Commissioner,</i>	-	-	-	WINNIPEG.
" J. S. DENNIS, <i>Supt. of Irrigation and B.C.Ld. Commissioner,</i>	-	-	-	CALGARY.
" HARRY MOODY,	{	Deputy Secretary and Registrar of		
		Transfers, 82 Charing Cross, London, S.W.		
" ARCHER BAKER,	{	European Traffic Manager, 82 to 85		
		Charing Cross,		do

Agents of the Bank of Montreal, *Transfer Agents,* - 59 Wall St., New YORK.
Montreal Transfer Office, - - - Office of the Secretary, Montreal.

EXECUTIVE COMMITTEE

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.
MR. RICHARD B. ANGUS, MR. EDMUND B. OSLER, M.P.
SIR THOMAS G. SHAUGHNESSY.

CANADIAN PACIFIC RAILWAY COMPANY

TWENTY-THIRD ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED JUNE 30TH, 1904.

To the Shareholders.

The accounts of the Company for the year ended
June 30th, 1904, show the following results:—

Gross Earnings	\$46,469,132.24
Working Expenses	32,256,027.21
Net Earnings	\$14,213,105.03
Interest on deposits and loans	\$380,716.51
Interest due from the Duluth South Shore & Atlantic Ry. Co. on Consolidated bonds held by the Company	\$604,280.00
Less advanced by the Company.....	422,280.00
	182,000.00
Interest from Minneapolis, St. Paul & Sault Ste. Marie Ry. Co. on bonds held by the Company	159,720.00
Interest from Mineral Range Railroad Co. on Bonds held by the Company	50,160.00
Dividends on Minneapolis, St. Paul & Sault Ste. Marie Ry. Preferred and Ordinary Stocks held by the Co.	918,672.00
	1,691,268.51
	\$15,904,373.54
Deduct Fixed Charges.....	7,586,096.64
Surplus	\$ 8,318,276.90
Deduct amount applied against cost of Steamships and for contribution to Pension Fund	230,000.00
Carried forward.....	\$ 8,088,276.90

<i>Brought forward</i>		\$ 8,089,276.90
From this there has been charged a half yearly dividend on Preference Stock of 2 per cent. paid 1st April, 1904..\$	653,406.65	
And a half-yearly dividend on Ordinary Stock of 3 per cent., paid 1st April, 1904	2,535,000.00	3,188,406.65
		\$ 4,899,870.25

From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable 1st October, 1904	\$ 698,666.65	
And a second half-yearly dividend on Ordinary Stock of 3 per cent., payable 1st October, 1904	2,535,000.00	

2. The working expenses for the year amounted to 69.42 per cent. of the gross earnings, and the net earnings to 30.58 per cent., as compared with 63.97 and 36.03 per cent. respectively in 1903.

3. The large increase in working expenses over the previous year was due, not only to the additional railway mileage operated, but to the higher prices paid for wages, fuel and supplies, and the unprecedented weather conditions that prevailed during the winter.

4. Four per cent. Consolidated Debenture Stock to the amount of £3,103,349 was created and sold during the year. The proceeds were applied, under your authority, in the purchase of fifteen Atlantic steamships, in the construction of 260 additional miles of railway, and in the acquisition of bonds of other Companies, the interest on which had been guaranteed by your Company.

5. Four per cent. Preference Stock to the amount of £200,000 was also created and sold, and the proceeds applied to purposes for which your authority had already been obtained.

6. A final, and in the opinion of your Directors satisfactory settlement has been reached with the Dominion Government in connection with the selection of the balance of your Land Grants by the Company agreeing to accept lands in what is known as the "Irrigation Tract" between Medicine

Hat and Calgary, to the extent of about 2,900,000 acres, the main condition of such agreement being that the lands shall be conveyed in a solid block instead of alternate sections as originally contemplated. After careful consideration of the whole matter, and exhaustive reports by expert engineers on the Irrigation Tract referred to, your Directors are convinced that it is in the Company's interest that the construction of the necessary works for irrigation purposes should be at once commenced, and contracts have accordingly been let for portions of the required canals, starting from the Bow River near Calgary, involving an expenditure of about one million dollars.

7. The land sales for the year were 928,854 acres for \$3,807,248, being an average of \$4.10 per acre. There was a considerable decrease in the acreage sold, as compared with the previous year, when large blocks of land were sold to Colonization Companies, but the price realized was forty-three cents per acre higher.

8. A further amount of \$3,000,000 has been deposited with the Dominion Government during the year on account of the \$15,000,000 Land Bonds Mortgage, making a total amount of \$3,500,000 deposited up to the end of the fiscal year. The amount of deferred payments on lands sold is now \$15,252,308, drawing interest at 6 per cent. per annum, while the total of the Land Bonds outstanding is \$11,500,000 at 3½ per cent. per annum.

9. Your Directors have arranged to acquire by lease the control of the Tilsonburg, Lake Erie and Pacific Railway, extending from Port Burwell on Lake Ontario, via Tilsonburg, to Ingersoll on your Ontario Division, a distance of about thirty-five miles, the rental payable under the lease to be a sum equal to the interest on bonds which may be issued by the Tilsonburg, Lake Erie and Pacific Company, with the consent of this Company, as more specifically set out in the resolution to be submitted. This line is important as affording a connection by vessel at Port Burwell with the great coal producing districts of Ohio and Pennsylvania.

10. At the request of your Directors, and to meet the present requirements of settlement in the district east of the main line of the Calgary & Edmonton Railway, that Company has authorized the construction of two branch lines, each for a distance of about 50 miles and extending respectively from Lacombe and Wetaskiwin Stations on its main line.

11. Arrangements have been made, subject to your approval, for the leasing for the term of 999 years, of the line of the Northern Colonization Railway Company, extending from the terminus of the Montreal and Western Railway, leased to your Company, to Nomingue in the Province of Quebec, a distance of 21 miles, at a rental equal to the interest at the rate of 4 per cent. per annum. payable on all bonds which the Northern Colonization Railway Company may issue with the consent of your Company, the aggregate of such bonds not to exceed the rate of \$20,000 per mile, the said rental to be reduced by the amount of any Government subsidy or annual payment to which the Northern Colonization Railway Company may be entitled. A draft of the proposed lease will be submitted for your approval.

12. Arrangements have also been completed for a lease for the term of 999 years of the Railway of the Guelph and Goderich Railway Company, now under construction from the terminus of the Guelph Junction Railway at Guelph, already leased to your Company and forming part of the Ontario Division, to the Town of Goderich on Lake Huron, a distance of about 80 miles. The rental will be a sum equal to the interest, at the rate of 4 per cent. per annum, on bonds issued with the consent of your Company to an amount not to exceed \$25,000 per mile. The line will run through well settled and very fertile portions of the Province of Ontario at present, to a large extent, without Railway facilities. Your approval of the proposed lease will be asked.

13. During the year the guarantee of your Company has been endorsed on Consolidated Bonds of the Minneapolis, St.

Paul and Sault Ste. Marie Railway Company, to the amount of \$3,572,000, representing the cost of $178\frac{6}{10}$ miles of additional railway acquired and constructed by that Company.

14. The net earnings of your Atlantic Steamship Line amounted to about \$200,000 for the first six months, but this profit was practically absorbed by the shrinkage in net revenue during the last half of the year, due to the demoralized state of the Atlantic trade. Nevertheless the Steamship Line has, as was anticipated, proved a valuable auxiliary to the Railway. The revenue and expenses are not taken into the accounts for the year, but the interest on the Debenture Stock, issued for the purchase of the vessels, is included in the fixed charges

It is desirable that the Directors be authorized to arrange for the construction of two additional passenger steamships with a sea speed of about eighteen knots per hour and ample cargo capacity. These will be useful and profitable ships on the Atlantic and they will be admirably adapted to your Pacific trade if, at a later date, you determine to replace them on the Atlantic with a fleet of larger and faster vessels.

15. In view of the contemplated construction of the Grand Trunk Pacific Railway it will be impracticable to continue the use of the Grand Trunk Company's line between Toronto and North Bay for the routing of traffic between points in Ontario and points reached by your lines in North Western Canada, and, therefore, it is important that you should, with the least possible delay, secure your own independent connection between the main line and the City of Toronto. The shortest and best route, and one upon which the local traffic will be profitable, is from a point in the vicinity of Sudbury to a point near Kleinburg on your Ontario Division, a distance of about 230 miles. Your Directors are proceeding with the construction of the line, and you will be asked to authorize the issue and sale of the necessary securities to meet the expenditure.

16. In accordance with the authority given at the last annual meeting, your Directors have proceeded with the work

of improving your property and enlarging your facilities, and with your approval, they propose to continue the same policy, within the limits of prudence, until your capacity to handle traffic is well abreast of the requirements during the busiest portion of the year.

By reference to Exhibit "H" it will be seen that the expenditures on Capital Account have largely exceeded the proceeds of the sale of Capital Stock and the appropriation from earnings, and most of this excess has been temporarily advanced from your surplus. To cover the amount advanced, and to provide for future requirements, your Directors recommend that the Ordinary Capital Stock of the Company be increased by the amount of \$25,500,000, namely, from \$84,500,000 to \$110,000,000, such increase of stock to be issued from time to time, according to the requirements of the Company, as may be determined by the Directors. A resolution giving effect to this recommendation will be submitted for your approval.

17. In accordance with the By-Law of the Company, No. 88, adopted by the Shareholders at the Annual Meeting held in October, 1902, the undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election.:

THE HON. SIR GEORGE A. DRUMMOND, K.C.M.G.
SIR SANDFORD FLEMING, K.C.M.G.
GEORGE R. HARRIS, Esq.
WILMOT D. MATTHEWS, Esq.

For the Directors

T. G. SHAUGHNESSY
President.

MONTREAL, AUGUST 25TH, 1904.

APPENDIX

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CANADIAN PACIFIC
CONDENSED BALANCE

COST OF RAILWAY AND EQUIPMENT	\$256,665,689.19
OCEAN, LAKE AND RIVER STEAMSHIPS	\$14,027,345.00
Less amount applied in reduction of cost	2,118,224.69
	11,909,120.31
ACQUIRED SECURITIES HELD (cost):	
Exhibit "A"	46,875,306.42
HOTELS, BUILDINGS AND PROPERTIES HELD IN TRUST FOR THE COMPANY	2,724,417.70
DEFERRED PAYMENTS ON LAND AND TOWN SITE SALES...	15,252,308.90
ADVANCES:	
To Montreal & Atlantic Ry., secured by \$375,000 First Mortgage Bonds	799,627.03
To Duluth South Shore & Atlantic Ry., Car Trusts, etc.	236,213.19
ADVANCES TO NEW LINES UNDER CONSTRUCTION	568,847.94
MATERIAL AND SUPPLIES ON HAND	5,802,493.85
STATION AND TRAFFIC BALANCES, ACCOUNTS RECEIVABLE	5,412,382.19
MISCELLANEOUS SECURITIES AND ADVANCES:	
Exhibit "B"	686,079.45
IMPERIAL AND DOMINION GOVERNMENTS:	
Accounts due for mail transportation	245,105.15
CASH IN HAND	11,741,703.14
	\$358,919,294.46

NOTE.—In addition to the above Assets, the Company owns 11,338,350 acres of land in Manitoba and the Territories (average sales past year \$4.10 per acre) and 3,744,324 acres in British Columbia.

RAILWAY COMPANY

SHEET JUNE 30, 1904

CAPITAL STOCK	\$ 84,500,000.00
FOUR PER CENT. PREFERENCE STOCK	33,473,333.33
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK...	82,355 217.66
MORTGAGE BONDS:	
First Mortgage Bonds, 5 per cent.	\$34,998,633.33
Canada Central Ry, 6 per cent.	973,333.33
Due Province of Quebec on Q. M. O. & O. & North Shore Ry.	7,000,000.00
Algoma Branch 1st Mortgage	3,650,000.00
North Shore Ry. 1st Mortgage	616, 119.67
	<u>47,238,086.33</u>
LAND GRANT BONDS:	
Guaranteed 3¼ per cent. Land Bonds.....	15,000,000.00
Less amount paid Dominion Government towards redemption.....	3,500,000.00
	<u>11,500,000.00</u>
CURRENT ACCOUNTS, PAY ROLLS AND TRAFFIC BAL- ANCES.....	7,764,096.84
INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES:	
Coupons due July 1st, 1904, and including coupons overdue, not presented.....	1,485,316.00
Accrued to date, not due.....	284,867.53
	<u>1,770,183.53</u>
EQUIPMENT REPLACEMENT FUND.	582,937.44
STEAMSHIP REPLACEMENT FUND	340,666.67
CASH SUBSIDIES FROM DOMINION AND PROVINCIAL GOV- ERNMENTS AND MUNICIPALITIES	30,673,283.07
LAND GRANT:	
Sales of land and town sites.....	41,160,443.54
SURPLUS	17,561,046.05
	<u><u>\$358 919,294.46</u></u>

I. G. OGDEN,
3rd Vice-President.

FIXED CHARGES FOR YEAR ENDING JUNE 30th, 1904.

£ 7,191,500	1st Mortgage Bonds 5% due July 1st, 1915....	\$ 1,749,931.66
\$ 7,000,000	Province of Quebec, 4½%	283,500.00
£ 1,100	North Shore Ry. 1st Mortgage 5% Bonds—redeemed April 20th, 1904.....	223.05
£ 200,000	Canada Central Ry. 2nd Mortgage 6% Bonds due Nov. 1st 1910.	58,400.00
£ 200,000	St. Lawrence & Ottawa Ry. 4% 1st Mortgage Bonds due June 15th, 1910	38,933.34
\$ 2,544,000	Man. South Western Colonisation Ry. 1st Mortgage 5% Bonds due June 1st, 1934	127,200.00
	Toronto, Grey & Bruce Ry. Rental	140,000.00
£ 4,007,381	15s. 5d. Ontario & Quebec Ry. Debenture Stock 5% ...	975,129.56
\$ 2,000,000	Ontario & Quebec Ry. (Ordinary Stock) 6%...	120,000.00
£ 1 330,000	Atlantic North West Ry. 1st Mortgage Bonds, (less Government proportion) due Jan. 1, 1937	136,333.34
£ 750,000	Algoma Branch 5% 1st Mortgage Bonds due July 1st, 1937	182,500.00
	Rental, Calgary & Edmonton Ry	138,357.60
	Rental, Farnham to Brigham Jet.	1,400.00
	Rental, Mattawamkeag to Vanceboro	23,800.00
	Rental, New Brunswick Railway System	372,829.74
	Rental of Terminals at Toronto	32,318.69
	Rental of Terminals at Hamilton	32,784.82
	Rental, Hamilton Jet. to Toronto.....	40,037.86
	Rental St. Stephen and Milltown Ry.....	2,060.00
	Interest on Montreal & Western Ry. purchase..	19,678.45
	Interest on Equipment Leases	89,349.12

4% DEBENTURE STOCK.

Issue for General purposes	£ 3,933,748
Issue for China and Japan Steamers	720,000
Issue for Souris Branch	1,004,000
Issue to retire Canada Central Ry. 1st Mortgage Bonds....	250,000
Issue for Branch Lines.....	1,491,250
Issue for Pacific Coast Steamers.....	225,000
Issue for Atlantic Steamships	1,417,500
Issue for acquiring Mortgage Bonds of roads of which principal or interest is guaranteed by C.P. Ry.....	7,880,807
	£ 16,922,305

1 Year on £14,118,956.....
6 mos. on £12,803,349.....

\$ 3,021,349.41

\$ 7,586,096.64

EXHIBIT "A"

MORTGAGE BONDS		ACQUIRED SECURITIES HELD		
Atlantic & North-West Ry., Eganville Branch	4%	First Mortgage.....	\$	PAR VALUE 302,400.00
British Columbia Southern Ry.	5%	First " 		967,500.00
Columbia & Kootenay Ry. .	4%	First " 		1,277,500.00
Columbia & Western Ry. .	5%	First " 		5,691,000.00
Duluth, South Shore & At- lantic Ry.	4%	Consolidated Mortgage.....		15,107,000.00
Great North West Central Ry.	5%	First " 		875,000.00
Minneapolis, St. Paul & Sault Ste. Marie Ry.....	4%	Consolidated " 		3,993,000.00
Mineral Range Railroad...	4%	First " 		1,254,000.00
Manitoba & North Western Ry.	6%	First " £539,900 ..		2,627,513.33
Manitoba & North Western Ry.	5%	First " £219,000 ..		1,065,800.00
Manitoba & North Western Ry., Shell River Branch	5%	First " £ 33,000 ..		160,600.00
Saskatchewan & Western Ry.	5%	First " £ 37,200 ..		181,040.00
Montreal & Ottawa Ry. .	5%	First " 		1,636,250.00
Manitoba South Western Colonisation Railway ..	5%	First " 		72,000.00
North Shore Railway	5%	First " 		616,119.67
Kootenay & Arrowhead Ry	5%	First " 		780,000.00
Vancouver & Lulu Island Ry.	5%	First " 		280,000.00
Great North West Cen. Ry.	5%	First " 		500,000.00
Ottawa, Northern & West- ern Ry.	4%	First " 		3,075,000.00
Pacific Steamships	4%	First " £720,000 ...		3,504,000.00
Souris Branch	4%	First " £400,000 ...		1,946,666.67
Pacific Coast Steamships .	5%	First " £225,000 ...		1,095,000.00
				<u>\$47,007,389.67</u>
Duluth, South Shore & At- lantic Ry.	Income Certificates			\$ 3,000,000.00
STOCKS				
Atlantic & North-West Ry..	5%	Guaranteed Stock	\$	3,240,000.00
Calgary & Edmonton Ry. .		Ordinary " 		1,000,000.00
Duluth, South Shore & At- lantic Ry.		Preferred " 		5,100,000.00
Duluth, South Shore & At- lantic Ry.		Ordinary " 		6,100,000.00
Kingston & Pembroke Ry.		First Preferred Stock		995,450.00
do		Second Preferred Stock		134,650.00
do		Ordinary Stock		1,777,650.00
Minneapolis St. Paul & Sault Ste. Marie Ry.....		Preferred " 		3,533,400.00
Minneapolis, St. Paul & Sault Ste. Marie Ry.....		Ordinary " 		7,066,600.00
Manitoba & North Western Railway	5%	Debenture " £126,000		613,200.00
Manitoba & North Western Railway	5%	Preferred " 		415,000.00
Manitoba & North Western Railway		Common " 		5,612,113.63
Montreal & Atlantic Ry...		Common " 		2,160,000.00
Saskatchewan & Western Railway		Common " 		232,500.00
Ottawa, Northern & West- ern Railway		Common " 		1,300,000.00
				<u>\$39,280,563.63</u>

EXHIBIT "B"

DETAILS OF BALANCE SHEET ITEM

"MISCELLANEOUS SECURITIES AND ADVANCES"

CHATEAU FRONTENAC, (QUEBEC HOTEL,) STOCK	\$230,000.00
NIAGARA BRIDGE & REAL ESTATE	97,823.57
DOMINION EXPRESS COMPANY, STOCK.....	113,750.00
INSURANCE PREMIUMS PREPAID	158 362.36
SOUTH ONTARIO PACIFIC RAILWAY STOCK	20,000 00
NAKUSP & SLOCAN RAILWAY STOCK	35,000.00
ONTARIO & QUEBEC RAILWAY STOCK (cost)	7,650.00
TOWN OF MORRIS, MAN., BONDS	15,000.00
	<u>\$727,585.93</u>
CANADA NORTH WEST LAND CO. STOCK	
Amount realised from sale of Preference Stock	559,593.75
Less amount of original investment	518,087.27
	<u>41,506.48</u>
5,625 Shares Common Stock still held.	
	<u><u>\$686,079.45</u></u>

EXHIBIT "C"—LANDS.

SALES—	ACRES	AMOUNT REALIZED	AVERAGE PER ACRE
CANADIAN PACIFIC LAND GRANTS—			
July 1st, 1903 to June 30th, 1904	857,474	\$3,516,864	\$4.10
July 1st, 1902 to June 30th, 1903	2,260,731	8,473,573	3.75
MANITOBA SOUTH WESTERN GRANT—			
July 1st, 1903 to June 30th, 1904	29,522	113,303	3.84
July 1st, 1902 to June 30th, 1903	250,452	699,610	2.79
GREAT NORTH WEST CENTRAL GRANT—			
July 1st, 1903 to June 30th, 1904	41,858	177,081	4.23
July 1st, 1902 to June 30th, 1903	128,434	522,490	4.07
TOTAL SALES—			
July 1st, 1903 to June 30th, 1904	928,854	\$3,807,248	\$4.10
July 1st, 1902 to June 30th, 1903	2,639,617	9,695,673	3.67

POSITION OF LAND GRANTS AT JUNE 30TH, 1904.

CANADIAN PACIFIC—	ACRES	ACRES
Grants	26,710,400	
Disposed of to the Dominion Government under agree- ment of March 30th, 1886	6,793,014	
	19,917,386	
Sales to June 30th, 1904	9,187,620	
Less, cancelled during year	64,347	
	9,123,273	
Quantity of land unsold		10,794,113
MANITOBA SOUTH WESTERN—		
Total Grant	1,396,800	
Sales to June 30th, 1904	1,020,617	
Less, cancelled during year	23,201	
	997,416	
Quantity of land unsold		399,384
GREAT NORTH WEST CENTRAL—		
Total Grant	320,004	
Sales to June 30th, 1904	175,151	
Quantity of land unsold		144,853
Total agricultural land owned by the Company		11,338,550
BRITISH COLUMBIA LANDS		
COLUMBIA AND KOOTENAY—	ACRES	ACRES
Total Grant	190,000	
Sales to June 30th, 1904	41,983	
Less, cancelled during year	1,309	
	40,674	
Quantity of land unsold		149,326
BRITISH COLUMBIA SOUTHERN—		
Total Grant	3,600,000	
Sales to June 30th, 1904	5,002	
Quantity of land unsold		3,594,998
Total British Columbia Lands owned by the Company		3,744,324

In addition to the foregoing the Company is to receive through the Columbia & Western Ry. about 2,500,000 acres of land.

EXHIBIT "D"

DETAILS OF BALANCE SHEET ITEM

LAND GRANTS

9,123,273 acres and Townsites sold, amounting to.....	\$32,577,067.94
6,793,014 acres disposed of to the Dominion Government in 1896....	10,189,521.00

	<u>42,766,588.94</u>
Less—Expenses, cultivation rebate and 10% on Land Grant Bonds retired and cancelled.....	4,071,659.49

38,694,929.45

ADD:

Proceeds Manitoba South Western Colonisation Ry. Land Sales....	1,732,697.24
Proceeds Great North West Cent. Ry. Land Sales.....	675,826.81
Proceeds Manitoba & North Western Ry. Land Sales.....	19,738.85

41,123,192.85

Proceeds British Columbia Land Sales.....	5,922.91
---	----------

41,129,115.26

Interest on Deferred Payments	645,219.57
Less—Interest on Land Bonds	<u>470,624.62</u>

174,594.95

41,303,710.21

DEDUCT

Expenditures on Irrigation	143,266.67
----------------------------------	------------

\$41,160,443.54

RECEIPTS AND EXPENDITURES

YEAR ENDED JUNE 30TH, 1904

Cash in hand June 30th, 1903..... \$12,172,612.03

RECEIPTS:

Surplus revenue as per statement 8,318,276.90

INSURANCE RECEIVED FOR STEAMSHIP "MONTRENY" 340,666.67

LAND DEPARTMENT

Lands and Townsites

Net proceeds of sales \$ 4,301,173.96

Less amount remaining in Deferred Payments ... 3,394,024.53

907,149.43

Collection of Deferred Payments on previous years'

sales..... 1,795,903.78

2,703,053.21

BONUSES

Dominion Government Subsidy on

Lake Winnipeg Branch \$ 1,550.00

Waskada Branch..... 64,000.00

Pheasant Hills Branch 378,624.00

444,174.00

FOUR PER CENT. PREFERENCE STOCK

Amount realised from issue of £200,000..... 979,393.19

CONSOLIDATED DEBENTURE STOCK

Amount realised from issue of £3,103,349..... 15,679,340.19

\$40,637,516.19

ADD

Station and Traffic Balances and accounts receivable \$5,412,382.19

Advances to New Lines under construction 568,847.94

Miscellaneous Securities and advances 686,079.45

Due from Imperial and Dominion Governments.... 245,105.15

6,912,414.73

Amount at June 30th, 1903 9,175,191.22

2 262,776.49

\$42,900,292.68

EXPENDITURES:**Dividends on Preference Stock**

2 per cent. paid October 1st, 1903.....	\$ 650,000.00	
2 per cent. paid April 1st, 1904	653,406.65	
		<u>\$ 1,303,406.65</u>

Dividends on Ordinary Stock

3 per cent. paid October 1st, 1903	\$2,535,000.00	
3 per cent. paid April 1st, 1904	2,535,000.00	
		<u>5,070,000.00</u>

Pension Fund,

Amount contributed for the year.....	80,000.00	
Hotels, buildings and properties held in trust for the Company.....	457,782.85	
Construction acquired and branch lines, Exhibit "E"	3,402,659.75	
Additions and Improvements, main line and branches, Exhibit "F"	6,348,535.96	
Additions and Improvements, leased and acquired lines, Exhibit "G"	1,222,005.34	
Rolling Stock, Shops and Machinery.....	4,190,713.87	
New Montreal Shops	2,058,049.32	
Ocean, Lake and River Steamships.		
Additional barges and appurtenances	19,487.22	
Pacific Coast Steamships,		
Completion of two new Steamships	154,962.28	
Atlantic Steamships		
Fitting Steamships for Passenger service	375,487.43	
Land Grant Bonds.		
Amount paid Dominion Government on account of bonds	3,000,000.00	
Advanced Montreal & Atlantic Ry., on its First Mortgage Bonds		
for Additions and Improvements.....	375,482.23	

Securities Acquired

North Shore Ry. 1st Mortgage Bonds	\$ 5,353.33	
Ottawa Northern & Western Ry., Balance on 1st		
Mortgage Bonds	933,765.96	
Manitoba & North Western Ry., 1st Mortgage		
Bonds.....	1,065,800.00	
Calgary & Edmonton Ry., Capital Stock	500,000.00	
Kingston & Pembroke Ry., Preferred and Ordinary		
Stock	849,518.30	
		<u>3,404,437.59</u>
Increase in material and supplies on hand.	303,705.61	
		<u>\$31,761,716.09</u>
Less increase in current liabilities	603,126.55	
		<u>31,158,589.54</u>
Cash in hand.....	11,741,703.14	
		<u><u>\$42,900,292.68</u></u>

EXHIBIT 'E'

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Toronto-Sudbury Line	\$ 49,401.86
Lachine Canal Branch.....	41,959.74
Crows Nest Pass Branch.....	71,823.98
Souris Branch —Pipestone Extension.....	2 842.83
do —Arcola-Regina Extension.....	710,035.11
Snowflake Branch	10,142.00
Lake Winnipeg Branch	6,103.02
Waskada Branch.....	15,625.05
McGregor Branch.....	12,092.15
Lauder Extension	1,983.80
Darlingford Extension	10,441.83
Pheasant Hills Branch	2,443,334.27
Surveys projected Lines.....	26,874.11
	\$ 3,402,659.75

EXHIBIT " F "

**DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM
JULY 1ST, 1903, TO JUNE, 30TH, 1904.**

MAIN LINE:**QUEBEC TO BONFIELD:**

Additional sidings, buildings, stations and yards	\$ 66,595.63	
Permanent bridges and improvements of line.....	148 347.65	
Wharves, docks and warehouses	2,075.46	
		\$217,018.74

BONFIELD TO PORT ARTHUR:

Additional sidings, buildings, stations and yards.	\$223,286.19	
Permanent bridges and improvements of line.....	461,102.95	
Wharves, docks and warehouses	2,256.56	
		686,645.70

PORT ARTHUR TO LAGGAN:

Additional sidings, buildings, stations and yards	\$1,106,164.82	
Permanent bridges and improvements of line.....	2,131,912.66	
Winnipeg Terminal.....	506,182.08	
Wharves, docks and warehouses	148,323.13	
Coal handling plant, Fort William.....	82,722.01	
Annex Elevators B. & D., Fort William.....	40,377.16	
Port Arthur Elevator	98,761.79	
		4,114,443.65

LAGGAN TO VANCOUVER:

Additional sidings, buildings, stations and yards	\$190,472.37	
Permanent bridges and improvements of line.....	328,547.93	
Wharves, docks and warehouses	16,885.32	
Diversions of line at Clanwilliam	81,958.29	
		627,863.91

Montreal Terminals	152,149.23	

Total Main Line carried forward\$5,798,121.22

Main Line, brought forward.....	\$5,798,121.22	
BRANCH LINES:		
South Western Branch.....	\$11,477.66	
Stonewall Branch.....	18.60	
Selkirk Branch	505.44	
Emerson Branch	2,666.63	
Nakusp and Slocan Branch.....	9,240.37	
Revelstoke and Arrow Lake Branch	1,248.84	
Mission Branch.....	16,785.91	
New Westminster Branch	1,034.50	
Buckingham Branch.....	354.18	
SOURIS BRANCH:		
Additional sidings, buildings stations and yards	\$66,894.93	
Permanent bridges and improvements of line	38,333.20	
	<u>105,228.13</u>	
ALGOMA BRANCH:		
Additional sidings, buildings, stations and yards	\$31,510.10	
Permanent bridges and improvements of line	55,936.85	
	<u>87,446.95</u>	
CROW'S NEST PASS BRANCH:		
Additional sidings, buildings, stations and yards	\$38,471.85	
Permanent bridges and improvements of line	75,018.14	
	<u>113,489.99</u>	
Telegraph Extensions and Additions.....		349,495.20
Rented and Temporary Sidings.....		112,335.01
		<u>83,584.53</u>
Total for improvements, Main Line and Branches.....		<u><u>\$6,343,535.96</u></u>

EXHIBIT "G"

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES

FROM JULY 1ST, 1903, TO JUNE 30TH, 1904.

ONTARIO AND QUEBEC RAILWAY:

Additional sidings, buildings, stations and yards	\$220,772.37	
Permanent bridges and improvements of line.....	211,091.94	
Wharves, docks and warehouses	24,573.96	
		<u>\$ 456,438.27</u>

ATLANTIC AND NORTH-WEST RAILWAY:

Additional sidings, buildings stations and yards	\$ 43,285.35	
Permanent bridges and improvements of line	217,661.70	
		<u>260,947.05</u>

NEW BRUNSWICK RAILWAY:

Additional sidings, buildings, stations and yards	\$ 32,593.10	
Permanent bridges and improvements of line.....	131,697.88	
		<u>164,290.98</u>

MONTREAL AND WESTERN RAILWAY:

Additional sidings, buildings, stations and yards	\$ 3,502.20	
Account purchase of road	8,178.38	
		<u>11,680.58</u>

MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY:

Additional sidings, buildings, stations and yards	\$ 41,937.32	
Permanent bridges and improvements of line.....	22,168.94	
		<u>64,106.26</u>

COLUMBIA AND KOOTENAY RAILWAY:

Additional sidings, buildings, stations and yards	\$ 595.36	
Permanent bridges and improvements of line.....	141,160.17	
		<u>141,755.53</u>

MANITOBA AND NORTH-WESTERN RAILWAY:

Additional sidings, buildings, stations and yards	\$ 17,174.18	
Permanent bridges and improvements of line.....	2,453.13	
		<u>19,627.31</u>

GREAT NORTH-WEST CENTRAL RAILWAY:

Additional sidings, buildings, stations and yards	\$ 619.47	
Permanent bridges and improvements of line.....	1,707.52	
		<u>2,326.99</u>

LAKE TEMISCAMINGUE COLONIZATION RAILWAY:

Additional sidings, buildings, stations and yards	\$ 74.95	
Permanent bridges and improvements of line.....	1,048.15	
		<u>1,123.10</u>

BRITISH COLUMBIA SOUTHERN RAILWAY:

Additional sidings, buildings, stations and yards	\$14,860.22	
Permanent bridges and improvements of line.....	79,957.03	
Loop Tunnel	111.74	
Balfour Extension.....	4,780.28	
		<u>99,709.27</u>

Total, leased and acquired lines \$1,222,005.34

EXHIBIT H.

SUMMARY STATEMENT OF EXPENDITURE FOR ADDITIONS AND IMPROVEMENTS
AND ADDITIONAL ROLLING STOCK SINCE 1901.

Locomotives.....	212	\$4,441,664.30	
Locomotives under construction.....	6	26,209.60	
Equipping locomotives with electric head lights and air brakes.....		10,202.13	
Sleeping, Parlor, Dining, Official and Pay Cars....	34	513,179.90	
Passenger, Tourist and Colonist Coaches	69	655,254.43	
Proportion of Montreal & Boston Air Line Equip- ment.....		31,568.00	
Gas plants at various points on the system, and equipment for lighting Passenger trains by gas instead of oil		153,169.32	
Baggage, Mail and Express Cars	31	158,672.33	
Baggage Cars under construction	10	17,456.94	
Conductors Vans	149	135,029.75	
Box, Stock, Refrigerator and Furniture Cars....	4520	4,140,707.53	
Box Cars under construction	1000	122,476.43	
Flat, Coal and Ore Cars	2300	1,780,302.69	
Other Cars and Snow Plows	50	286,274.06	
Vans under construction.....	25	1,315.06	
			\$12,473,482.61
Angus shops at Montreal		\$2,786,136.79	
Additional machinery		570,039.86	
		3,356,176.65	
New Shops—Winnipeg.....		253,288.68	
Additional shops and machinery at other points.....		294,724.70	
			3,904,190.03
Reduction of grades		\$2,118,573.85	
Permanent bridges and improvements to line.....		4,947,997.82	
			7,066,571.67
SIDINGS— Business.....		\$298,962.45	
Crossing		959,998.79	
		1,258,961.24	
TERMINALS—Property acquired for and ex- penditure to enlarge Terminals at—			
Ottawa.....		\$ 13,714.86	
Montreal		880,533.40	
Winnipeg		681,791.16	
		1,576,039.42	
Increased station yard and other accommodation at other points on system (including purchase Esplanade Property, Toronto)		2,801,351.09	
Additional Elevators, Fort William and Port Arthur....		857,809.46	
Wharves, Docks, Warehouses and Coal handling plants..		705,949.71	
Telegraph Extensions and Additions.....		373,000.05	
			7,573,110.97
			\$ 31,017,355.28
Amount applied			
From proceeds Ordinary Stock		\$19,500,000.00	
From proceeds Preference Stock		979,393.19	
From surplus Earnings		3,000,000.00	
			23,479,393.19
Temporarily advanced from surplus earnings.....			\$ 7,537,962.09

STATEMENT OF EARNINGS FOR THE YEAR ENDED JUNE 30th, 1904.

From Passengers	\$12,418,419.33
" Freight.....	29,235,821.04
" Mails	681,224.12
" Express.....	1,062,379.84
" Parlor and Sleeping Cars	721,006.14
" Telegraph, Grain Elevators and Miscellaneous, including profits on Pacific Steamships.....	2,350,281.77
Total	<u>\$46,469,132.24</u>

**STATEMENT OF WORKING EXPENSES FOR THE YEAR
ENDED JUNE 30th, 1904.**

Conducting Transportation	\$16,149,578.15
Maintenance of Way and Structures	7,372,408.26
Maintenance of Equipment	5,873,162.91
Parlor and Sleeping Car Expenses	161,026.09
Expenses of Lake and River Steamers	519,994.12
General Expenses.....	1,589,134.79
Commercial Telegraph	590,722.89
Total.....	<u>\$32,256,027.21</u>

The classification of accounts was changed during the year to make them conform to the practice now general on this continent. The accounts for 1903 classified in the same way are given below for comparison.

**STATEMENT OF WORKING EXPENSES FOR THE YEAR
ENDED JUNE 30th, 1903.**

Conducting Transportation.....	\$14,045,459.79
Maintenance of Way and Structures.....	6,642,165.17
Maintenance of Equipment.....	4,864,550.69
Parlor and Sleeping Car Expenses.....	144,349.83
Expenses Lake and River Steamers	470,773.06
General Expenses	1,405,790.57
Commercial Telegraph	547,438.15
Total.....	<u>\$28,120,527.26</u>

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1904

Locomotives.....	934
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars..	814
First class sleeping and dining cars	141
Parlor cars, Official and Paymasters' cars.....	48
Freight and cattle cars, (all kinds)	28 060
Conductors' vans.....	511
Board, Tool and Auxiliary Cars and Steam Shovels.....	993

OCEAN, LAKE AND RIVER STEAMERS.

ATLANTIC SERVICE:

Lake Manitoba	Monteagle
Lake Champlain	Montrose
Lake Michigan	Montreal
Lake Erie	Milwaukee
Mount Temple	Mount Royal
Montcalm	Montesuma
Montfort	Monmouth

PACIFIC SERVICE:

Empress of India
Empress of Japan
Empress of China
Tartar
Athenian

PACIFIC COAST SERVICE:

Amur	Princess May
Beaver	Princess Victoria
Charmer	Queen City
Danube	R. P. Rithet
Otter	Tees
Princess Beatrice	Yosemite
Princess Louise	

UPPER LAKE SERVICE:

Manitoba
Athabasca
Alberta

BRITISH COLUMBIA LAKE AND RIVER SERVICE:

Aberdeen	Schwatka
Kokanee	Slocan
Minto	York
Moyie	Victoria
Nelson	Kootenay
Roseland	Valhalla
Columbia	Wm. Hunter
Proctor	Ymir
Sandon	

FERRY SERVICE

Michigan
Ontario

DESCRIPTION OF FREIGHT CARRIED.

		YEAR ENDED JUNE 30TH		
		1902	1903	1904
Flour	Barrels	4,921,993	5,110,757	5,270,432
Grain	Bushels	52,719,706	63,322,710	52,990,151
Live Stock	Head	963,742	1,103,686	1,314,814
Lumber	Feet	1,033,669,377	1,190,378,217	1,267,804,321
Firewood	Cords	204,963	263,401	270,803
Manufactured Articles.....	Tons	2,288,234	2,665,260	3,119,659
All other Articles	Tons	2,571,136	2,942,736	3,620,515

FREIGHT TRAFFIC.

		YEAR ENDED JUNE 30TH		
		1902	1903	1904
Number of tons carried.....		8,769,934	10,180,847	11,135,896
Number of tons carried one mile.....		3,247,922,167	3,862,242,993	3,809,801,952
Earnings per ton per mile.....		0.75 cts	0.74 cts.	0.77 cts

PASSENGER TRAFFIC.

		YEAR ENDED JUNE 30TH	
		1903	1904
Number of passengers carried.....		5,524,198	6,251,471
Number of passengers carried one mile.....		635,855,533	677,940,496
Earnings per passenger per mile.....		1.73 cts.	1.83 cts.

TRAIN TRAFFIC STATISTICS—FOR TWELVE MONTHS ENDED JUNE 30TH, 1904 AND 1903.
EARNINGS OF LAKE AND RIVER STEAMERS NOT INCLUDED IN THIS STATEMENT.

	Year ending June 30th, 1904.	Year ending June 30th, 1903.	Increase or Decrease.	
			Am't or number.	Per Cent.
TRAIN MILEAGE.				
Passenger trains	8,310,899	8,309,015	501,984	6.04
Freight "	13,810,180	13,353,188	456,992	3.42
Mixed "	1,564,348	1,390,876	173,472	12.47
Total trains.....	24,185,527	23,053,079	1,132,448	4.91
CAR MILEAGE.				
PASSENGER.				
Coaches and P. D. and S. cars.....	43,377,025	41,429,683	1,947,342	4.46
Combination cars.....	2,162,822	2,028,346	134,476	6.63
Baggage, Mail and Express cars.....	15,742,330	14,473,519	1,268,811	8.77
Total Passenger cars.....	61,182,177	57,931,548	3,250,629	5.61
FREIGHT.				
Loaded	243,394,348	242,513,797	880,551	.36
Empty	60,842,852	64,868,060	4,025,208	6.21
Caboose	14,700,836	14,426,078	274,758	1.90
Total Freight cars.....	318,938,036	321,807,935	2,869,899	.89
Passenger cars per Traffic Train Mile.....	5.90	5.97	.07	1.17
Freight " " " " " "	20.74	21.83	1.09	4.99
PASSENGER TRAFFIC.				
Passengers carried (Earning revenue).....	6,398,223	5,489,606	1,408,617	25.57
" " " " " " one mile.....	666,740,402	628,299,606	40,440,796	6.46
Passengers carried (Earning revenue) one mile per mile of road.....	82,500	82,202	298	.36
Average journey per passenger..... Miles	98.74	114.09	17.35	15.20
Average amount received per passenger..... \$	1.72	1.91	.19	9.95
" " " " " " per passenger mile..... Cts.	1.78	1.68	.10	5.96
Average number of passengers per train mile.....	64.27	64.57	.30	.46
" " " " " " car "	15.03	14.76	.27	1.83
Revenue from passengers per passenger car mile Cts	26.75	24.77	1.98	7.99
Total passenger train earnings per train mile..... \$	1.40	1.83	0.07	5.26
" " " " " " mile of road..... \$	1.792.83	1.689.61	103.22	6.11
FREIGHT TRAFFIC.				
Tons of Revenue Freight carried one mile.....	3,670,821,775	3,721,877,190	51,055,415	1.37
" Non-rev. " " " " " "	617,906,213	534,777,562	83,128,651	15.54
Total Tons (all classes) Freight carried one mile.....	4,288,727,988	4,256,654,752	32,073,236	.75
Tons of Revenue Freight carried one mile per mile of road	451,311	487,284	35,973	7.38
Tons of Non-rev. Freight carried one mile per mile of road	76,385	70,015	6,370	9.10
Total Tons (all classes) Freight carried one mile per mile of road.....	527,696	557,299	29,603	5.31
Average amount received per ton per mile of Revenue Freight..... Cts.	0.773	0.743	0.030	4.04
Average No. of tons of Revenue Freight per train mile	288.76	252.43	13.67	5.42
" " " " " " Non-rev. " " " " " "	40.19	38.28	8.91	10.78
" " " " " " (all classes) " " " " " "	278.95	288.71	9.76	3.33
Car Mile.....	15.08	15.34	.26	1.69
Average No. of tons of Non-rev. Freight per Loaded Car Mile.....	2.54	2.21	.33	14.98
Average No. of tons of (all classes) Freight per Loaded Car Mile.....	17.62	17.55	.07	.40
Freight Train Earnings per Loaded Car Mile..... Cts.	11.65	11.41	0.24	2.10
" " " " " " Train mile..... \$	1.85	1.88	0.03	1.60
" " " " " " Mile of road..... \$	3,491.83	3,629.07	137.24	3.78

NOTE.—All Train Mile Statistics are compiled in accordance with Rules adopted by the Interstate Commerce Commission, the American Railway Association and the American Association of Railway Accounting Officers.

STATEMENT OF CANADIAN PACIFIC RAILWAY PENSION DEPARTMENT

To June 30th, 1904.

Amount contributed by Company originally	\$ 250,000.00
Amount contributed by Company for year ended June 30th, 1904.....	80,000.00
Amounts received from interest on investments and balances	21,737.28

 \$ 351,737.28

Payments of Pension Allowances to June 30th, 1904.....	11,076.74
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 340,660.54

INVESTMENTS—Mortgages and Bonds.....	332,268.16
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 \$ 8,392.38

 Cash in hand.....

NUMBER ON PENSION ROLL AT JUNE 30th, 1904.

Under 60 years of age.....	3
Between 60 and 70 years of age.....	45
Over 70 years of age.....	51

 Total..... 99

PROPERTY OF
HARVEY FISK & SONS,
STATISTICAL DEPARTMENT,
NOT TO BE LOANED OR TAKEN FROM OFFICE.

ANNUAL REPORT

OF THE

CANADIAN PACIFIC RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED JUNE 30TH

1905.

MONTREAL, AUGUST, 1905.

HARVEY FISK & SONS,
STATISTICAL DEPARTMENT,
NOT TO BE LOANED OR TAKEN FROM OFFICE.

ANNUAL REPORT

OF THE

CANADIAN PACIFIC RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED JUNE 30TH

1905.

MONTREAL, AUGUST, 1905.

ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
FISCAL YEAR ENDED JUNE 30TH, 1905.

NOTICE TO SHAREHOLDERS.

The Twenty-Fourth Annual Meeting of the Shareholders of this Company for the election of the Directors to take the places of the retiring Directors, and the transaction of business generally, will be held on Wednesday, the 4th day of October next, at the principal office of the Company at Montreal, at Twelve o'clock, noon.

The Common Stock transfer books will close in Montreal, New York and London at 3 p.m. on Friday, September 1st. The Preference Stock books will also close at 3 p.m. on Friday, 1st September.

All books will be re-opened on Thursday, 5th October

By order of the Board

CHARLES DRINKWATER,
Secretary.

Montreal, August 25th, 1905.

BOARD OF DIRECTORS

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS,	MONTREAL.
" EDMUND B. OSLER, M.P.,	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G.,	OTTAWA.
MR. WILMOT D. MATTHEWS,	TORONTO.
" THOMAS SKINNER,	LONDON.
" CHARLES R. HOSMER,	MONTREAL.
HON. SIR GEO. A. DRUMMOND, K.C.M.G., Senator,	do
HON. ROBT. MACKAY, SENATOR,	do
MR. R. G. REID,	do
" CLARENCE H. MACKAY,	NEW YORK.
" DAVID McNICOLL,	MONTREAL.
SIR THOMAS G. SHAUGHNESSY,	do

GENERAL OFFICERS

SIR THOMAS G. SHAUGHNESSY, <i>President,</i>	MONTREAL.
MR. D. McNICOLL, <i>Vice-President,</i>	do
" W. WHYTE, <i>2nd Vice-President,</i>	WINNIPEG.
" I. G. OGDEN, <i>3rd Vice-President,</i>	MONTREAL.
" GEO. M. BOSWORTH, <i>4th Vice-President,</i>	do
" CHAS. DRINKWATER, <i>Secretary,</i> { and Asst. to the President }	do
" A. R. CREELMAN, K.C., <i>General Counsel</i>	do
" W. SUTHERLAND TAYLOR, <i>Treasurer,</i>	do
" ROBT. KERR, <i>Passenger Traffic Manager,</i>	do
" W. R. MACINNES, <i>Freight Traffic Manager,</i>	do
" W. F. TYE, <i>Chief Engineer,</i>	do
" W. R. BAKER, <i>Assistant to the Vice-President,</i>	MONTREAL.
" ARTHUR PIERS, <i>Manager of Steamship Lines,</i>	do
" R. MARPOLE, <i>Gen. Supt. Pacific Division,</i>	VANCOUVER.
" H. P. TIMMERMAN, <i>Gen. Supt. Ontario Division,</i>	TORONTO.
" JAMES OBORNE, <i>Gen. Supt. Eastern Division,</i>	MONTREAL.
" G. J. BURY, <i>Gen. Supt. Central Division,</i>	WINNIPEG.
" R. R. JAMIESON, <i>Gen. Supt. Western Division,</i>	CALGARY.
" WILLIAM DOWNIE, <i>Gen. Supt. Atlantic Division,</i>	ST. JOHN, N.B.
" F. P. BRADY, <i>Gen. Supt. Lake Superior Division,</i>	NORTH BAY.
" JAS. KENT, <i>Manager of Telegraphs,</i>	MONTREAL.
" F. T. GRIFFIN, <i>Land Commissioner,</i>	WINNIPEG.
" J. S. DENNIS, <i>Supt. of Irrigation and B.C.Ld. Commissioner,</i>	CALGARY.
" ARCHER BAKER, { <i>European Manager, 62 to 65 Charing Cross,</i>	LONDON, S.W.
" R. D. MORRISON, <i>Deputy Secretary, 62 Charing Cross, London, S.W.</i>	
" E. F. TREMAYNE, <i>Registrar of Transfers</i>	" "

Agents of the Bank of Montreal, *Transfer Agents,* - 50 Wall St., NEW YORK
 Montreal Transfer Office, - Office of the Secretary, Montreal.

EXECUTIVE COMMITTEE

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.
 MR. RICHARD B. ANGUS, MR. EDMUND B. OSLER, M.P.
 SIR THOMAS G. SHAUGHNESSY.

THE YEAR OF DISCOVERY

THE YEAR OF DISCOVERY

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CANADIAN PACIFIC RAILWAY COMPANY

TWENTY-FOURTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED JUNE 30TH, 1905.

To the Shareholders.

The accounts of the Company for the year ended June 30th, 1905, show the following results:—

Gross Earnings	\$50,481,882.25
Working Expenses	35,006,793.79
Net Earnings	\$15,475,088.46
Interest on deposits and loans	\$372,531.47
Interest due from the Duluth South Shore & Atlantic Ry. Co. on Consolidated bonds held by the Company	\$604,280.00
Less advanced by the Company	179,280.00
	425,000.00
Interest from Minneapolis, St. Paul & Sault Ste. Marie Ry. Co. on bonds held by the Company	159,720.00
Interest from Mineral Range Railroad Co. on Bonds held by the Company	50,160.00
Interest from Montreal & Atlantic Ry. on bonds held by the Company	47,250.00
Dividends on Minneapolis, St. Paul & Sault Ste. Marie Ry. Preferred and Ordinary Stocks held by the Co.	530,002.00
	1,584,663.47
	\$17,059,751.93
Deduct Fixed Charges	7,954,065.76
Surplus	\$ 9,105,686.17
Deduct amount applied against cost of Steamships and for contribution to Pension Fund	230,000.00
Carried forward	\$ 8,875,686.17

<i>Brought forward</i>	\$ 8,875,686.17
From this there has been charged a half yearly dividend on Preference Stock of 2 per cent. paid 1st April, 1905	\$757,066.66
And a half yearly dividend on Ordinary Stock of 2 per cent., paid 1st April, 1905	<u>2,535,000.00</u>
	3,292,066.66
	<u>\$ 5,583,619.51</u>
From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable 2nd October, 1905.....	\$757,066.66
And a second half-yearly dividend on Ordinary Stock of 2 per cent., payable 2nd October, 1905.....	<u>3,042,000.00</u>

2. The working expenses for the year amounted to 69.35 per cent. of the gross earnings, and the net earnings to 30.65 per cent. as compared with 69.42 and 30.58 per cent. respectively in 1904.

3. Four per cent. Consolidated Debenture Stock to the amount of £1,406,575 was created and sold, and the proceeds were applied as authorized by you towards the construction of branch lines and the acquisition of mortgage bonds of the Calgary and Edmonton Railway Company, the Tilsonburg, Lake Erie and Pacific Railway Company, the Northern Colonization Railway Company and the Guelph and Goderich Railway Company, the interest on which had been guaranteed by your Company.

4. Preference Stock to the amount of £900,000 was also created and sold and the proceeds applied to purposes for which your authority had already been obtained.

5. During the year 509,386 acres of land were sold for \$2,446,300, being an average of \$4.80 per acre, and from the proceeds of land sales a further amount of \$3,500,000 was deposited with the Dominion Government on account of the \$15,000,000 Land Bonds Mortgage, leaving a balance due on account of this Mortgage of \$8,000,000, against which are deferred payments, on account of land and townsites sold, of \$14,659,179.63.

6. Your Company's guarantee was endorsed on Consolidated Bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company to the amount of \$3,620,000, representing the cost of 181 miles of additional railway con-

structed in extension of its system, which extension promises to add to the already prosperous business of that Company.

7. Two additional steamships for the Atlantic service of 14,500 tons gross register and $18\frac{1}{2}$ knots sea speed are being constructed under a contract authorized at the last annual meeting. It is expected that these steamships will be ready for service on the opening of St. Lawrence navigation in 1906. Their cost with equipment will be approximately £800,000, and a resolution authorizing the issue and sale of the necessary securities to meet this expenditure will be submitted for your approval.

8. For the purpose of reaching the trade and participating in the development of Vancouver Island, your Directors secured the necessary legislation and made the requisite agreements to enable you to acquire control of the Esquimault and Nanaimo Railway extending from Victoria to Wellington, a distance of seventy-eight miles. The Esquimault and Nanaimo Railway Company owns a land grant on Vancouver Island of approximately 1,600,000 acres. You will be asked to authorize a lease of the railway of the Esquimault Company to your Company for a term of years, at a rental equal to the interest at the rate of four per cent. per annum, payable on bonds from time to time issued by that Company with the consent of your Company, to an amount not exceeding \$30,000 per mile of the railway, upon the condition that the Esquimault Company shall apply the proceeds of all sales of land towards the redemption of said bonds at par until such time as the total amount of said bonds outstanding shall have been reduced from \$30,000, per mile to \$14,000 per mile of railway.

9. Your Directors have entered into an agreement for an interchange of traffic at the International Boundary with the Spokane International Railway Company whose line will be connected with yours by a branch, twelve miles in length, now under construction from Yahk on your British Columbia Southern line. By this means your railway and its connections will secure access to Spokane, a most important commercial and industrial centre in the State of Washington.

10. The Nicola, Kamloops & Similkameen Railway Company are constructing a railway from Spence's Bridge on your main line in British Columbia to the coal fields in Nicola Valley, a distance of forty-five miles. It is intended that this line shall be gradually extended through the Similkameen Valley, and, eventually, to a connection with your Columbia and Western section at Midway. There will be submitted for your approval a resolution authorizing a lease by your Company of the section now under construction at a rental equal to the interest at four per cent. per annum on bonds of that Company issued with the consent of your Company to an amount not exceeding \$30,000 per mile.

11. On all your traffic to and through St. John, N.B. you have been required to pay tolls to the St. John Bridge and Railway Extension Company, owners of the bridge between your terminus at Carleton and the City of St. John. With the increase in business these tolls became burdensome, and your Directors decided to ask your authority to build another bridge unless some more favourable agreement could be made with the proprietors of the present structure. An arrangement has been made that gives your Company absolute control of the property at a cost of \$200,000, and a resolution will be brought before the meeting authorizing Capital expenditure to that amount. The property is subject to outstanding mortgage bonds to the amount of \$125,000 bearing interest at 5% per annum and to a Government lien of \$433,900 at four per cent. per annum. This transaction will, on the basis of last year's traffic, represent to your Company an annual saving of over \$30,000.

12. To serve a large district that is being rapidly settled it is necessary to build a branch line from a point in the vicinity of Wolseley, on your main line to Reston on the Souris Branch, a distance of 122 miles. A resolution will be submitted approving the construction of this line and authorizing the issue and sale of the requisite Four per cent. Consolidated Debenture Stock for the purpose.

13. There will be laid on the table for your further information, and you will be asked to approve an agreement between

your Company and the British Columbia Electric Company for the operation by electricity of your Vancouver and Lulu Island Railway between Vancouver and Steveston, in order that a more frequent service may be provided than would be practicable on a line operated by steam. The agreement provides, amongst other things, that the Electric Railway Company shall equip the railway as an electric line and operate it continuously over its whole length, giving a good and sufficient service, until February 11th, 1924, unless the property of the Electric Company be taken over by the City of Vancouver in 1919, in which event the contract will lapse.

14. The construction of the second track between Winnipeg and Fort William, mentioned at the last annual meeting, is proceeding, and it is expected that the work will be completed in about three years, by which time everything indicates that it will be urgently required. In the meantime, as the result of your expenditures for the reduction of grades and general improvements, enabling you to run heavier locomotives and cars, you can move over the single track between Winnipeg and Fort William a very much larger tonnage than would have been possible in previous conditions.

15. The construction of the main canal and of secondary canal "A", for the irrigation of the Company's lands between Calgary and Gleichen, is progressing satisfactorily, and it is expected that about 110,000 acres of irrigated land will be available early next year. Work will then be prosecuted on secondary canal "B," for the purpose of bringing water on about 200,000 additional acres.

16. For some time past your Directors have been engaged in the development of a coal mine on the Company's lands near Banff. The development work is nearing completion and the mine promises not only to safeguard your fuel supply in that district but to be a source of considerable profit.

17. You will observe that the item "Cash subsidies from Dominion and Provincial Governments and Municipalities," and so much of the proceeds of land sales as were applied to

the construction and equipment of the railway, have been transferred from the credit side of the balance sheet, where they have appeared up to the present time, to the other side of the account in reduction of the item "Cost of Railway and Equipment." After providing for the outstanding land grant bonds the balance of the proceeds of sales amounting to \$7,676,552 is a free asset, and may properly be classed with your surplus, available for any purpose.

18. Of the additional \$25,500,000 ordinary capital stock authorized at the last annual meeting, the amount of \$16,900,000 was offered to the shareholders at par, and all was subscribed for excepting 2,500 shares, which will be sold in the open market.

19. Your Directors recommend that an amount equivalent to 15% of the last issue of ordinary share capital, or \$2,535,000 be transferred, as was done in the case of the previous issue, from the accumulated surplus earnings; this amount to be transferred to a special fund for improvements, and for such other purposes as in the opinion of your Directors may conduce to the Company's advantage.

20. In accordance with the By-laws of the Company the undermentioned Directors will retire from office at the approaching Annual Meeting; they are eligible for re-election:

CHAS R. HOSMER, Esq.

HON. ROBERT MACKAY

DAVID McNICOLL, Esq.

ROBERT G. REID, Esq.

21. The Company sustained a serious loss by the death in March last of Mr. George R. Harris, who had been a member of your Board since 1885. He was always an active and zealous member of the Board, and at all times evinced the greatest interest in the welfare of the Company.

For the Directors,

T. G. SHAUGHNESSY

MONTREAL, August 25th, 1905.

President.

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CANADIAN PACIFIC
CONDENSED BALANCE

COST OF RAILWAY AND EQUIPMENT.	\$275,837,497.22	
Less amount Subsidies and Bonuses received	\$30,752,195.07	
Less proceeds of land sales expended in construction.....	36,193,521.00	
		\$66,945,716.07
		\$208,891,781.15
OCEAN, LAKE AND RIVER STEAMSHIPS	\$15,217,113.18	
Less amount applied in reduction of cost.	2,268,224.60	
ACQUIRED SECURITIES (cost):		12,948,888.49
Exhibit "A".....		52,300,534.22
PROPERTIES HELD IN TRUST FOR THE COMPANY		1,935,608.24
DEFERRED PAYMENTS ON LAND AND TOWN SITE SALES		14,659,179.63
ADVANCES:		
To Duluth South Shore & Atlantic Ry., Car Trusts, etc.		236,213.19
MATERIAL AND SUPPLIES ON HAND		8,191,297.27
STATION AND TRAFFIC BALANCES, ACCOUNTS RECEIVABLE		3,870,440.19
IMPERIAL AND DOMINION GOVERNMENTS:		
Accounts due for mail transportation		254,612.42
CASH IN HAND		16,496,291.41
		\$319,784,846.21

NOTE.—In addition to the above assets, the Company owns 10,863,977 acres of land in Manitoba and the Territories (average sales past year \$4.80 per acre) and 3,681,480 acres in British Columbia.

RAILWAY COMPANY

SHEET JUNE 30, 1905

CAPITAL STOCK	\$34,500,000.00
PAYMENTS ON SUBSCRIPTION TO NEW ISSUE CAPITAL STOCK, \$16,900,000.00	14,238,074.00
FOUR PER CENT. PREFERENCE STOCK	37,853,333.33
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK ..	89,200,549.32
MORTGAGE BONDS:	
First Mortgage Bonds, 5 per cent.	\$34,998,633.33
Canada Central Ry., 6 per cent.	973,333.33
Due Prov. of Que. on Q. M. O. & O. & N.S. Ry	7,000,000.00
Algoma Branch, 1st Mortgage	3,650,000.00
North Shore Ry., 1st Mortgage	616,119.67
	47,238,086.33
LAND GRANT BONDS:	
Guaranteed 3½ per cent. Land Bonds	\$15,000,000.00
Less amount paid Dominion Government towards redemption	7,000,000.00
	8,000,000.00
CURRENT ACCOUNTS, PAY ROLLS AND TRAFFIC BALANCES	8,183,221.95
INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES:	
Coupons due 1st July, 1905, and including Coupons overdue not presented	\$1,484,203.94
Accrued to date not due	284,879.96
	1,769,083.90
EQUIPMENT REPLACEMENT FUND	874,279.55
STEAMSHIP REPLACEMENT FUND	340,666.67
LAND GRANT:	
Sales of Land and Town Sites	7,676,552.25
SURPLUS	19,910,998.91
	\$319,784,846.21

I. G. OGDEN,
3rd Vice-President.

FIXED CHARGES FOR YEAR ENDING JUNE 30th, 1906.

£ 7,191,500	1st Mortgage Bonds 5% due July 1st, 1915	\$ 1,749,931.66
\$ 7,000,000	Province of Quebec, 4½%	283,500.00
£ 200,000	Canada Central Ry. 2nd Mortgage 6% Bonds due Nov. 1st, 1910.....	58,400.00
£ 200,000	St. Lawrence & Ottawa Ry. 4% 1st Mortgage Bonds due June 15th, 1910	38,933.34
\$ 2,544,000	Man. South Western Colonisation Ry. 1st Mortgage 5% Bonds due June 1st, 1934	127,200.00
	Toronto, Grey & Bruce Ry. Rental	140,000.00
£ 4,007,331	15s. 5d. Ontario & Quebec Ry. Debenture Stock 5% ...	975,129.56
\$ 2,000,000	Ontario & Quebec Ry. (Ordinary Stock) 6%...	120,000.00
£ 1,330,000	Atlantic North West Ry. 1st Mortgage Bonds, (less Government proportion) due Jan. 1, 1937	136,333.34
£ 750,000	Algoma Branch 5% 1st Mortgage Bonds due July 1st, 1937	182,500.00
	Rental, Calgary & Edmonton Ry	138,357.60
	Rental, Farnham to Brigham Jet.	1,400.00
	Rental, Mattawamkeag to Vanceboro	23,800.00
	Rental, New Brunswick Railway System	372,839.74
	Rental of Terminals at Toronto	31,553.64
	Rental of Terminals at Hamilton	33,754.40
	Rental, Hamilton Jet. to Toronto.....	40,027.86
	Rental St. Stephen and Milltown Ry.....	2,050.00
	Rental Lindsay, Bobcaygeon & Pontypool Ry.	9,661.64
	Rental, Lachine Canal Branch.....	1,021.80
	Interest on Montreal & Western Ry. purchase..	19,235.77
	Interest on Equipment Leases.....	146,643.00

4% CONSOLIDATED DEBENTURE STOCK.

£17,022,305	Interest from July 1st, 1904.....	\$3,313,675.36
165,690	Interest from January 1st, 1905.....	16,127.15
1,140,885	Interest from July 1st, 1905	
£18,328,880		\$3,329,802.51

Less received from Subsidy

Northern Colonisation Railway..... 8,000.00

\$3,321,802.51\$ 7,954,065.76

EXHIBIT "A"

ACQUIRED SECURITIES

MORTGAGE BONDS

			PAR VALUE
Atlantic & North-West Ry., Eganville Branch	4%	First Mortgage	\$ 302,400.00
British Columbia Southern Ry.	5%	First "	967,500.00
Calgary and Edmonton Ry.	4%	First "	1,040,000.00
Columbia & Kootenay Ry.	4%	First "	1,277,500.00
Columbia & Western Ry.	5%	First "	5,691,000.00
Duluth, South Shore & At- lantic Ry.	4%	Consolidated Mortgage	15,107,000.00
Great North West Central Ry.	5%	First "	875,000.00
Guelph & Goderich Ry.	4%	First "	2,002,500.00
Minneapolis, St. Paul & Sault Ste. Marie Ry.	4%	Consolidated "	3,993,000.00
Mineral Range Railroad	4%	First "	1,254,000.00
Manitoba & North Western Ry.	6%	First " £539,900 ..	2,627,513.33
Manitoba & North Western Ry.	5%	First " £219,000 ..	1,065,800.00
Manitoba & North Western Ry., Shell River Branch	5%	First " £ 33,000 ..	160,600.00
Saskatchewan & Western Ry.	5%	First " £ 37,200 ..	181,040.00
Montreal & Ottawa Ry.	5%	First "	1,636,250.00
Manitoba South Western Colonization Railway ..	5%	First "	72,000.00
Montreal & Atlantic Ry.	5%	First "	945,000.00
North Shore Railway	5%	First "	616,119.67
Northern Colonization Ry.	4%	First "	418,000.00
Kootenay & Arrowhead Ry.	5%	First "	780,000.00
Vancouver & Lulu Island Ry.	5%	First "	280,000.00
Great North West Cen. Ry.	5%	First "	500,000.00
Ottawa, Northern & West- ern Ry.	4%	First "	3,075,000.00
Tilsonburg, Lake Erie & Pacific Ry.	4%	First "	875,000.00
Pacific Steamships	4%	First " £720,000 ..	3,504,000.00
Souris Branch	4%	First " £400,000 ..	1,946,666.67
Pacific Coast Steamships	5%	First " £225,000 ..	1,095,000.00
Town of Morris, Manitoba.		Bonds	15,000.00

OTHER SECURITIES

Duluth South, Shore & At- lantic Ry.		Income Certificates	\$3,000,000.00
Atlantic & North West Ry.	5%	Guaranteed Stock	3,240,000.00
Calgary & Edmonton Ry.		Ordinary "	1,000,000.00
Canada North West Land Company		Ordinary "	140,625.00
Chateau Frontenac Hotel ..		Ordinary "	280,000.00
Dominion Express Co.		Ordinary "	2,000,000.00
Duluth, South Shore & At- lantic Ry.		Preferred "	5,100,000.00
Duluth, South Shore & At- lantic Ry.		Ordinary "	6,100,000.00
Kingston & Pembroke Ry.		First Preferred Stock	995,450.00
do		Second Preferred Stock	134,650.00
do		Ordinary Stock	1,777,650.00
Minneapolis, St. Paul & Sault Ste. Marie Ry.		Preferred "	3,533,400.00
Minneapolis, St. Paul & Sault Ste. Marie Ry.		Ordinary "	7,066,600.00
Manitoba & North Western Railway	5%	Debenture " £126,000	613,200.00
Manitoba & North Western Railway	5%	Preferred "	415,000.00
Manitoba & North Western Railway		Common "	5,612,113.63
Montreal & Atlantic Ry.		Common "	2,160,000.00
Nakusp & Slocan Ry.		Ordinary "	35,000.00
Ontario & Quebec Ry.		Ordinary "	5,000.00
Ottawa, Northern & West- ern Railway		Common "	1,300,000.00
Saskatchewan & Western Railway		Common "	232,500.00
South Ontario Pacific Ry.		Ordinary "	20,000.00
Tilsonburg, Lake Erie & Pacific Ry.		Common "	400,006.00

\$97,464,078.20

EXHIBIT "B"—LANDS.

SALES—

	ACRES	AMOUNT REALIZED	AVERAGE PER ACRE
CANADIAN PACIFIC LAND GRANTS—			
July 1st, 1904, to June 30th, 1905	411,451	\$2,045,800	\$4.97
July 1st, 1903 to June 30th, 1904	857,474	3,516,864	4.10
MANITOBA SOUTH WESTERN GRANT—			
July 1st, 1904 to June 30th, 1905	80,342	296,936	3.70
July 1st, 1903 to June 30th, 1904	29,522	113,303	3.84
GREAT NORTH WEST CENTRAL GRANT—			
July 1st, 1904 to June 30th, 1905	17,593	103,564	5.89
July 1st, 1903 to June 30th, 1904	41,858	177,081	4.23
TOTAL SALES—			
July 1st, 1904 to June 30th, 1905	509,386	2,446,300	4.80
July 1st, 1903 to June 30th, 1904	928,854	3,807,248	4.10

POSITION OF LAND GRANTS AT JUNE 30TH, 1905.

	ACRES	ACRES
CANADIAN PACIFIC—		
Grants	26,710,400	
Disposed of to the Dominion Government under agree- ment of March 30th, 1886.	6,793,014	
	19,917,386	
Sales to June 30th, 1905	9,534,724	
Less, cancelled during year	33,092	
	9,501,632	
Quantity of land unsold		10,415,754
MANITOBA SOUTH WESTERN—		
Total Grant	1,396,800	
Sales to June 30th, 1905	1,077,758	
Less, cancelled during year	481	
	1,077,277	
Quantity of land unsold		319,523
GREAT NORTH WEST CENTRAL—		
Total Grant	320,004	
Sales to June 30th, 1905	192,744	
Less, cancelled during year	1,440	
	191,304	
Quantity of land unsold		128,700
Total agricultural land owned by the Company		10,863,977

BRITISH COLUMBIA LANDS

COLUMBIA AND KOOTENAY—		
Total Grant	190,000	
Sales to June 30th, 1905	50,758	
Quantity of land unsold		139,242
BRITISH COLUMBIA SOUTHERN—		
Total Grant	3,600,000	
Sales to June 30th, 1905	58,249	
Less, cancelled during year	487	
	57,762	
Quantity of land unsold		3,542,238
Total British Columbia Lands owned by the Company		3,681,480

In addition to the foregoing the Company is to receive through the Columbia and Western Ry. about 2,500,000 acres of land.

EXHIBIT "C"

DETAILS OF BALANCE SHEET ITEM

LAND GRANTS

9,501,632 acres and Townsites sold, amounting to	\$35,259,023.28
6,793,014 acres disposed of to the Dominion Government in 1886 ..	10,189,521.00
Less:—Expenses, cultivation rebate and 10% on Land Grant Bonds retired and cancelled.....	45,448,544.28 4,353,090.55
ADD:—	41,095,453.73
Proceeds Manitoba South Western Colonization Ry. Land Sales....	1,948,919.62
Proceeds Great North West Central Ry. Land Sales	768,998.66
Proceeds Manitoba and North Western Ry. Land Sales	20,158.26
Proceeds British Columbia Land Sales.....	43,833,530.27 258,132.87
Interest on Deferred Payments, in excess of Interest on Land Bonds	44,091,663.14 575,105.35
DEDUCT:—	44,666,768.49
Expenditures on Irrigation	796,695.24
Amount expended in construction of Railway and Equipment and now deducted from cost of property	\$43,870,073.25 36,193,521.00
	\$ 7,676,552.25

RECEIPTS AND EXPENDITURES
YEAR ENDED JUNE 30TH, 1905

Cash in hand June 30th, 1904..... \$11,741,703.14

RECEIPTS:

Surplus revenue as per statement 9,105,686.17

LAND DEPARTMENT

Lands and Townsites

Net proceeds of sales 2,757,457.69

Less amounts remaining in Deferred Payments... 2,436,174.92

321,282.77

Collection of Deferred Payments on previous years'

sales..... 2,981,476.21

3,302,758.98

BONUSES

Dominion Government Subsidy on

Dymont Branch 22,336.00

Pheasant Hills Branch 56,576.00

78,912.00

SUBSCRIPTIONS TO \$16 900,000 ADDITIONAL ORDINARY STOCK

Payments on instalments..... 14,238,074.00

FOUR PER CENT. PREFERENCE STOCK

Amount realized from issue of £900,000..... 4,365,407.48

CONSOLIDATED DEBENTURE STOCK

Amount realized from issue of £1,406,575..... 7,273,056.18

\$50,105,597.95

ADD

Station and Traffic Balances 3,870,440.19

Due from Imperial and Dominion Governments.... 254,612.42

4,125,052.61

Amount at June 30th, 1904 6,912,414.73

2 787,362.12

\$52,892,960.07

EXPENDITURES :**Dividends on Preference Stock**

2 per cent. paid October 1st, 1904	\$ 698,666.65	
2 per cent. paid April 1st, 1905	757,066.66	
		\$ 1,455,733.31

Dividends on Ordinary Stock

3 per cent. paid October 1st, 1904	2,535,000.00	
3 per cent. paid April 1st, 1905	2,535,000.00	
		5,070,000.00

Pension Fund,

Amount contributed for the year.....		80,000.00
Properties held in trust for the Company		1,121,115.32
Construction acquired and branch lines, Exhibit "D"		3,589,408.54
Additions and Improvements, main line and branches, Exhibit "E"		7,898,205.36
Additions and Improvements, leased and acquired lines, Exhibit "F"		1,085,240.78
Rolling Stock, Shops and Machinery.....		3,736,083.79
Angus Shops at Montreal.....		1,100,911.06
Ocean, Lake and River Steamships,		
Fitting Atlantic Steamships for Passenger Service.....	23,993.87	
Additional barges and appurtenances	62,508.60	
Payments on account New Atlantic Steamships..	1,103,265.71	
		1,189,768.18
Land Grant Bonds,		
Amount paid Dominion Government on account of bonds		3,500,000.00

Securities Acquired

Northern Colonisation Ry. 1st Mortgage Bonds..	418,000.00	
Tilsonburg, Lake Erie & Pacific Ry. 1st Mortgage Bonds and Ordinary Stock	875,000.00	
Calgary & Edmonton Ry. 1st Mortgage Bonds...	1,040,000.00	
Guelph & Goderich Ry. 1st Mortgage Bonds..	2,002,500.00	
Montreal & Atlantic Ry. 1st Mortgage Bonds.....	945,000.00	
Less previous advances	799,627.03	
		145,372.97
Transferred from Treasury Securities and Advances to Acquired Securities	429,893.52	
		4,910,766.49
Increase in material and supplies on hand.....		2,388,803.42
		\$37,106,036.25
Less increase in current liabilities		709,367.59
		36,396,668.66
Cash in hand.....		16,496,291.41
		\$52,892,960.07

EXHIBIT "D"

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Lachine Canal Branch.....	\$ 5,250.51	
Souris Branch —Pipestone Extension.....	90.45	
do —Arcola-Regina Extension.....	755,589.76	
Selkirk Branch—Lake Winnipeg Extension.....	4,688.22	
Waskada Branch.....	338.02	
McGregor Branch.....	706.51	
do Brookdale Extension.....	169,751.01	
Snowflake Branch.....	2,633.96	
Lauder Branch.....	687.87	
Darlingford Extension.....	49,331.71	
Wolsley—Reston Extension.....	119,361.48	
Pheasant Hills Branch	775,486.92	
North Star Branch.....	428.06	
Surveys projected Lines.....	4,591.86	
Trail Creek and Columbia Ry.....Credit	7,500.00	
		\$ 1,881,436.34
Toronto-Sudbury Line		1,687,972.20
		<u>\$ 3,569,408.54</u>

EXHIBIT " E "

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM
JULY 1ST, 1904, TO JUNE 30TH, 1905.

MAIN LINE:

QUEBEC TO BONFIELD;

Additional sidings, buildings, stations and yards	\$ 36,348.32	
Permanent bridges and improvements of line.....	142,574.68	
Wharves, docks and warehouses.....	345.60	
		\$179,268.60

BONFIELD TO PORT ARTHUR :

Additional sidings, buildings, stations and yards	57,421.74	
Permanent bridges and improvements of line.	353,865.79	
Wharves, docks and warehouses	1,620.00	
		412,907.53

PORT ARTHUR TO LAGGAN :

Additional sidings, buildings, stations and yards	509,703.20	
Permanent bridges and improvements of line.....	2,230,260.30	
Winnipeg Hotel and Station.....	722,621.63	
Winnipeg Shops	1,039,572.40	
Winnipeg Terminal.....	698,664.11	
Wharves, docks and warehouses	215,306.65	
Coal handling plant, Fort William.....	65,432.55	
Port Arthur Elevator	8,800.82	
		5,490,361.66

LAGGAN TO VANCOUVER :

Additional sidings, buildings, stations and yards	94,007.95	
Permanent bridges and improvements of line.....	448,407.90	
Wharves, docks and warehouses	13,688.14	
Diversion of line at Clanwilliam	105,635.12	
		661,739.11
Victoria Hotel	217,033.18	
Montreal Terminals	222,675.56	
Total Main Line carried forward		7,183,985.64

Main Line, brought forward	7,183,985.64	
BRANCH LINES :		
South Western Branch	17,544.29	
Stonewall Branch	1,792.77	
Selkirk Branch	7,563.47	
Emerson Branch	27,793.22	
Nakusp and Slocan Branch	18,589.03	
Revelstoke and Arrow Lake Branch	4,180.51	
Mission Branch	1,799.09	
New Westminster Branch	800.64	
SOURIS BRANCH :		
Additional sidings, buildings, stations and yards	47,225.84	
Permanent bridges and improvements of line	<u>75,334.53</u>	
		122,560.37
ALGOOMA BRANCH:		
Additional sidings, buildings, stations and yards	7,625.91	
Permanent bridges and improvements of line	<u>108,066.58</u>	
		115,692.49
CROW'S NEST PASS BRANCH:		
Additional sidings, buildings, stations and yards	6,380.86	
Permanent bridges and improvements of line	<u>63,159.41</u>	
		69,540.27
BRITISH COLUMBIA SOUTHERN RY.:		
Additional sidings, buildings, stations and yards	17,730.68	
Permanent bridges and improvements of line	104,381.49	
Balfour Extension	<u>3,941.44</u>	
		126,053.61
Telegraph Extensions and Additions		513,909.76
Rented and Temporary Sidings		69,897.96
Office Building, London, England (Completion)		113,828.31
		<u>16,583.60</u>
Total for improvements, Main Line and Branches		<u><u>\$7,898,205.36</u></u>

EXHIBIT "F"

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES

FROM JULY 1ST, 1904, TO JUNE 30TH, 1905.

ONTARIO AND QUEBEC RAILWAY ;

Additional sidings, buildings, stations and yards.....	402,226.91	
Permanent bridges and improvements of line.	254,104.14	
		<u>656,331.05</u>

ATLANTIC AND NORTH-WEST RAILWAY ;

Additional sidings, buildings, stations and yards	38,925.07	
Permanent bridges and improvements of line	155,359.43	
		<u>194,284.50</u>

NEW BRUNSWICK RAILWAY ;

Additional sidings, buildings, stations and yards.....	17,089.50	
Permanent bridges and improvements of line	44,195.96	
		<u>61,285.46</u>

MONTREAL AND WESTERN RAILWAY ;

Additional sidings, buildings, stations and yards	9,222.96	
Permanent bridges and improvements of line.....	21,900.92	
Account purchase of road.	8,613.50	
		<u>39,737.38</u>

MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY ;

Additional sidings, buildings, stations and yards	22,189.60	
Permanent bridges and improvements of line.	5,232.77	
		<u>27,422.37</u>

COLUMBIA AND KOOTENAY RAILWAY ;

Additional sidings, buildings, stations and yards	1,608.27	
Permanent bridges and improvements of line.....	48,114.94	
		<u>49,723.21</u>

MANITOBA AND NORTH-WESTERN RAILWAY ;

Additional sidings, buildings, stations and yards... ..	16,117.97	
Permanent bridges and improvements of line.	35,741.85	
		<u>51,859.82</u>

GREAT NORTH-WEST CENTRAL RAILWAY ;

Additional sidings, buildings, stations and yards.....	1,815.96	
Permanent bridges and improvements of line.	2,781.03	
		<u>4,596.99</u>

Total, leased and acquired lines		<u><u>1,085,240.78</u></u>
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STATEMENT OF EARNINGS FOR THE YEAR ENDED JUNE 30th, 1905.

From Passengers.....	\$13,583,052.11
" Freight.....	31,725,290.10
" Mails	703,896.48
" Sleeping Cars, Express, Elevators, Telegraph and Miscellaneous, including profit from Ocean Steamships.....	4,469,643.56
Total	\$50,481,882.25

STATEMENT OF WORKING EXPENSES FOR THE YEAR
ENDED JUNE 30th, 1905

Conducting Transportation	\$16,905,848.92
Maintenance of Way and Structures	8,527,035.07
Maintenance of Equipment	6,616,257.76
Parlor and Sleeping Car Expenses.....	172,123.61
Expenses of Lake and River Steamers.	515,297.02
General Expenses.....	1,634,698.91
Commercial Telegraph.....	635,432.50
Total.....	\$35,006,793.79

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1905

Locomotives.....	1,016
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars..	881
First class sleeping and dining cars.....	141
Parlor cars, Official and Paymasters' cars	47
Freight and cattle cars, (all kinds).....	30,101
Conductors' vans.....	602
Board, Tool and Auxiliary Cars and Steam Shovels.....	1,189

OCEAN, LAKE AND RIVER STEAMERS.

ATLANTIC SERVICE:

Lake Manitoba	Monteagle
Lake Champlain	Montrose
Lake Michigan	Montreal
Lake Erie	Milwaukee
Mount Temple	Mount Royal
Montcalm	Montesuma
Montfort	Monmouth

PACIFIC SERVICE:

Empress of India
Empress of Japan
Empress of China
Tartar
Athenian

PACIFIC COAST SERVICE:

Amur	Princess May
Beaver	Princess Victoria
Charmer	Queen City
Danube	R. P. Rithet
Otter	Tees
Princess Beatrice	Yosemite
Princess Louise	

UPPER LAKE SERVICE:

Manitoba
Athabasca
Alberta

BRITISH COLUMBIA LAKE AND RIVER SERVICE:

Aberdeen	Sandon
Kokanee	Slocan
Minto	York
Moyie	Victoria
Nelson	Kootenay
Roseland	Valhalla
Columbia	Ymir
Proctor	

FERRY SERVICE:

Michigan
Ontario

DESCRIPTION OF FREIGHT FORWARDED

		YEAR ENDED JUNE 30TH		
		1903	1904	1905
Flour	Barrels	5,110,757	5,270,432	5,010,868
Grain	Bushels	63,822,710	52,990,151	59,739,180
Live Stock	Head	1,103,686	1,314,814	1,360,560
Lumber	Feet	1,190,378,217	1,267,804,321	1,435,758,930
Firewood	Cords	268,401	270,803	281,794
Manufactured Articles	Tons	2,665,260	3,119,659	3,250,067
All other Articles	Tons	2,942,736	3,620,515	3,894,259

FREIGHT TRAFFIC.

		YEAR ENDED JUNE 30TH		
		1903	1904	1905
Number of tons carried		10,180,847	11,135,896	11,892,204
Number of tons carried one mile		3,862,242,993	3,809,801,952	4,155,256,309
Earnings per ton per mile		0.74 cts	0.77 cts.	0.76 cts

PASSENGER TRAFFIC.

		YEAR ENDED JUNE 30TH	
		1904	1905
Number of passengers carried		6,251,471	6,891,511
Number of passengers carried one mile		677,940,496	736,774,844
Earnings per passenger per mile		1.83 cts.	1.84 cts.

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STATEMENT OF CANADIAN PACIFIC RAILWAY PENSION DEPARTMENT

To JUNE 30TH, 1905.

Balance at June 30th, 1904	\$340,660.54
Amount contributed by Company for year.....	80,000.00
Amount received from Interest.....	19,327.89
	\$439,988.43
Payments of Pension Allowances for year.....	15,708.27
Balance in Cash and Investments.....	<u>\$424,280.16</u>

NUMBER ON PENSION ROLL AT JUNE 30TH, 1905

Under 60 years of age.....	8
Between 60 and 70 years of age	54
Over 70 years of age.....	58
Total.....	<u>120</u>

CANADIAN PACIFIC RAILWAY COMPANY

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